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NEWS SUMMARY

GENERAL

Polish shipyard strike spreads

Poland's Communist Party leader Mr. Edward Gierek flew home from his holiday in the USSR to face the growing surge of labour unrest in the country.

The number of workers on strike in and around Poland's biggest shipyards has grown to 50,000, with taxi and tram drivers joining the shipyard workers' action.

In Gdansk, strikers refused to leave their shipyards and demanded to see Prime Minister Edward Babiuch. Page 2

Walls faces action

Zimbabwe is considering prosecution "or other administrative action" against General Peter Walls, who was head of the country's joint military command until the end of July. Page 2

NF banned

Home Secretary William Whitelaw banned two of the five National Front marches planned to take place in the Midlands tomorrow. The family of Blair Peach, fatally injured in an anti-NF demonstration in Southall, London, have dropped their fight to have the misadventure verdict on his death quashed.

Threat to Times

Journalists on The Times will be given a recommendation to strike if the management does not announce by Tuesday that it is prepared to implement the arbitration pay award made earlier this week. Back Page.

Ulster riots

Rioting broke out in Draperstown, County Derry, following the annual march of the Catholic Order of Hibernia. Plastic bullets were fired into the crowd and 33 were arrested.

'Honour pay deals'

The Association of Metropolitan Authorities has attacked the Government for refusing to meet its share of the cost of arbitration awards for local authority white collar staff. Back Page

Energy report

A new group in the Confederation of British Industry will prepare a report on the international impact of energy price rises. Back Page

Iraq fire deaths

The Iraqni Interior Ministry announced that 59 children were killed and 45 injured in a Baghdad cinema fire.

'No' on Oswald

State judge blocked the exhumation of the body in Lee Harvey Oswald's grave after the brother of President John Kennedy's accused assassin filed a suit against the author who claims the body is that of a Soviet agent.

Titanic 'found'

A U.S. search party thinks it may have found the ocean liner Titanic, which sank 68 years ago 380 miles off the coast of Newfoundland.

Fly pasting

Nearly 1m Chinese in Peking turned up for a mass attack on the city's flies and mosquitoes.

Briefly . . .

Heart transplant patient James Burkhill died in Harefield Hospital, London five months after his operation.

Earth tremor was recorded in Kidsgrove, Staffordshire, the county's second in 12 hours.

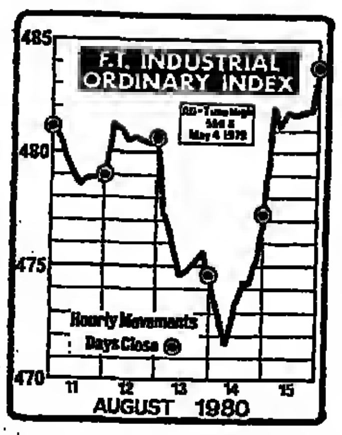
Wage hold-up in Central London was foiled when raiders were tackled by onlookers.

BUSINESS

Equities up 6.5; £ rises again

● GILTS continued the late overnight rally, helped by the latest retail price figures. Gains in all sectors extended to ¼, and the Government Securities Index rose 0.38 to 69.42. Page 20

● EQUITIES advanced on scattered buying and the FT 30-share index closed 6.5 higher at 483.8, a net weekly gain of 2.7. Page 20



● STERLING touched another 5¼-year peak with its trade-weighted index closing at 75.7 (75.6); while gaining 40 points to $2.3805. DOLLAR was slightly firmer, its index rising to 84.5 (84.4). Page 19

● GOLD fell $2 an ounce in London to $624.50. Page 19

● WALL STREET was 1.53 higher at 964.16 near the close. Page 16

● BANK OF ENGLAND is to offer £200m worth of Treasury bills next week, replacing £300m of maturities, and will alter some of the dealing rates to stabilise the markets following last mooth's 5 per cent rise in money supply. Page 18

● MOTOR AGENTS Association has urged the Office of Fair Trading to limit the number of petrol filling stations owned by oil companies to prevent a monopoly. Back Page

● LLOYDS BANK joined the other major clearing banks by offering new forms of savings and deposit acconnts for personal customers. Back Page

● WASTE PAPER supplies could fall by up to 500,000 tonnes in the coming year because of the industrial recession and a weakening export market, the industry warns. Page 3

● AUSTRALIA has rejected a draft report presented over a year ago that import quotas on textiles, footwear and clothing be abolished and tariffs gradually reduced.

● BACHE, the U.S. investment broker which suffered lossea dnring the recent silver market collapse, is planning senior management changes in the commodities department. Page 17

● UNEMPLOYMENT in France rose to 1.47m last month, 5.7 per cent higher than a year ago. Denmark has predicted an average unemployment of 6.9 per cent in 1981, against 6.5 per cent this year. Page 2

COMPANIES

● THORN EMI is aelling its 49 per cent stake in hire-purchase group Tricity Finance for £4.5m to Lombard North Central, giving it sole ownership. Page 14

● KORVETTES, the New York department store chain, appears to have averted a financial collapse following a deal between its French parent group and the main creditors. Page 17

● CORAH, knitted clothing maker and distributor, reports pre-tax profits down from £1.85m to £1.02m for the first half. Page 14

Retail price rises running at less than 1% a month

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

RETAIL PRICES are rising by less than 1 per cent a month despite a continuing sharp increase in nationalised industry charges. Intense High Street competition is holding down price rises for clothing and durable household goods.

Department of Employment figures published yesterday show that the retail prices index rose 0.8 per cent to 267.9 (January 1974=100) in the month to mid-July. This compares with a 4.3 per cent jump in the same month last year after the rise in value added tax.

The result is the widely-heralded sharp drop in the 12-month rate of increase, to 16.9 per cent from 21 per cent in mid-June.

About threequarters of the decline in the 12-month rate can be attributed to absence from the comparison of last year's VAT rise. Nevertheless there has been a significant slowing in the underlying rate of increase to under 1 per cent a month compared with over 1½ per cent earlier this year.

The combination of a strong pound, deepening recession and falling demand has put pressure on retailers, particularly those with excessive stocks of goods.

The result has been widespread cuts in prices of clothing and some household goods in extended summer sales, as well as lower petrol prices. This has been at the expense of reduced profits, as this week's F. W. Woolworth results showed.

In the last three months prices of durable household goods have risen by 0.7 per cent and of clothing 1.4 per cent.

Prices of goods and services sold in less competitive markets have continued to rise steadily. In the last three months the index of prices charged by nationalised industries, covering coal, gas, electricity, water, rail and bus fares, postage and telephones has risen 7.2 per cent.

Division of the economy into a sector where market forces curb price rises and another where State monopolies can push through price rises is illustrated more clearly over a longer-term comparison.

In the last 12 months prices of durable goods and clothing have risen by well under 10 per cent while nationalised industry prices have increased by 27.4 per cent.

Further rises in public-sector charges could limit the scope for a further slowing in the underlying rate.

The 12-month rate is likely to remain near its current level for the next few months with the possibility of a small rise in one or two months.

The 12-month rate at the end of the year could be slightly below the 16½ per cent level forecast by the Treasury. If the recent trend continues the next large drop should be in the first few months of next year.

There is, however, a nasty and ironic twist in the tail for the Government from its tax and price index. This shows the rise in pre-tax earnings needed to maintain the real value of a

Continued on Back Page
Editorial Comment, Page 12
Biffen confident, Page 3

Price Increases

Percentage over	Three months	12 months
Food	2.3	12.4
Housing	2.7	29.4
Durable household goods	0.7	9.5
Clothing	1.4	8.2
Services	2.1	21.6
Nationalised industries	7.2	27.4
All-items, retail prices nidex	2.7	16.9
Tax and price index	3.1	18.5

Sources: Department of Employment and Central Statistical Office

Sadat wants U.S. to join new Mid-East talks

BY ANTHONY McDERMOTT

PRESIDENT Anwar Sadat hopes to breathe new life into the suspender Middle East peace talks by calling a meeting with Israeli and U.S. leaders.

But the Egyptian leader wants to delay such a meeting until after the U.S. presidential election in November.

The proposal was put forward in a letter delivered yesterday to Mr. Yitzhak Shamir, Israel's Foreign Minister, by Mr. Saad Murtada, Egypt's ambassador to Israel.

The timing and content of this second letter to Israel's leadership within two weeks are doubly significant.

Firstly, its delivery comes four days after a statement by Crown Prince Fahd of Saudi Arabia which was the strongest expression yet of Saudi frustration at the lack of progress in the U.S.-engineered talks on Palestinian autonomy.

The Saudi statement criticised Israel's policies towards the status of Jerusalem and called for a Holy War. It also called on Mr. Sadat to abandon the autonomy talka and return to the Arab fold.

Secondly, Mr. Sadat, by proposing the meeting after the U.S. election, is clearly trying to avoid embarrassing President Jimmy Carter, whom he would prefer to see win. Mr. Sadat told the Israeli's it would be "unfair and discourteous" to seek a summit while Mr. Carter was campaigning for re-election.

Egypt called a halt to the autonomy talks on August 3 after the Israeli Parliament passed a Bill making Jerusalem the united capital of Israel. East Jerusalem was captured during the 1967 Arab-Israeli war.

In yesterday's letter, Mr. Sadat said there was no point in resuming negotiations until Israel removed "obstacles to peace."

In his first letter to Mr. Begin, Mr. Sadat sought assurances that Jerusalem would not be barred from discussion. But Mr. Begin reaffirmed that Jerusalem would always be Israel's capital, and that Jewish settlements on the occupied West Bank would never be removed

Mr Sadat's tone was firmer yesterday, when he said Egypt did not want talks to "degenerate into a meaningless exercise which erodes our people's faith and confidence in peace"

The letter attacked Israel's policies on Jerusalem and settlements. The Egyptian leader asked: "Has it occurred to you why all governments in different parts of the world should take this (negative) view of your policy?"

At the United Nations, where a aession of the Security Council is due to open this weekend, West European nations circulated a draft proposal strongly censuring Israel for designating Jerusalem as its undivided capital and calling for the rescinding of the relevant law.

● The U.S. State Department said Mr. Sol Linowitz, Mr. Carter's special envoy to the Middle East, was proposing to return to the area as aoon as possible in an attempt to reopen autonomy talks.

Embassies move out of Jerusalem, Page 2

£48,000 rise for Heron chief

BY JOHN MOORE

MR. GERALD RONSON, chairman and chief executive of Heron Corporation, the property and motor distribution group, was paid £123,000 in the last financial year, making him one of the country's highest paid executives.

Heron's latest accounts, covering the year ending March 31, 1980, show that his salary was £48,000, or 64 per cent higher than in 1978-79.

Others earn more. Associated Communications Corporation, for example, paid Lord Lew Grade, its chairman, £195,208 in the 12 months to March 31 this year—and that represented a cut of more than £15,000 on the previous *12 months.*

ICI, in its financial year ending December 1979, paid its chairman £124,380. Mr. Ian Posgate, a senior insurance underwriter who is a director of the Alexander Howden Group, received £164,863 in 1979.

But Sir David Steel, chairman of British Petroleum, received only £120,385 in 1979.

Further down the pay league is the chairman of Marley, the building materials group, who in the financial year ending October 31, 1979, received £61,000.

Heron's pre-tax profits for the year were £10.8m (£8.23m) on turnover of £315m (£295m).

Heron account details, Page 15

Mr. Gerald Ronson: *earning £123,000.*

CONTENTS

For latest Share Index 'phone 01-246 8026

Wholesale prices up by 1.7% in U.S.

By Ian Hargreaves in Washington

WHOLESALE PRICES in the U.S. rose by 1.7 per cent in July, the largest monthly increase for six years.

At the same time, the Federal Reserve reported industrial production fell an estimated 1.6 per cent in July, the smallest percentage fall in four months and another sign that the U.S. economy is starting to creep out of recessioo.

The sharp advance in the producer price index—more than double the 0.8 per cent June increase—was somewhat higher than most forecasters were predicting. The July rise was caused almost entirely by higher food prices. Energy prices, which accounted for much of the surge in the index earlier in the year, continued to fail last month.

U.S. livestock producers have been putting prices back up in recent months following serious oversupply earlier in the year.

Declined

The upward momentum in poultry, beef and pork prices has also been given an additional fillip by July's record-breaking heat wave and drought, which has had a small, direct and an indirect psychological effect on livestock commodity prices.

In July, the prices of consumer finished food products rose by 3.8 per cent, having declined at an annual rate of 4.6 per cent in the first half of the year.

Economists see little relief from these pressures in the immediate future, and expect *wholesale prices* to rise about 1.5 per cent in August. Before July, the monthly increase in the index had fluctuated between 1.6 per cent in January and 0.3 per ceot in May.

Worries about inflation, along with continued strong borrowing demands from U.S. industry, have weakened the bond market in the last month, pushing up interest rates from their low points in May and June. This upward push in rates has also put an end to a steady decline in U.S. prime lending rates.

The markets, however, can expect more comfort from the next two instalments of the consumer price index. The July increase, to be published at the end of next week, is expected to be less than 0.5 per cent, with a similar figure likely in August.

The consumer price index *figures* are *still* catching up with the sharp drop in mortgage rates in the U.S. between April and July, but even here there is a longer-term shadow.

Carter gets ready for uphill fight

BY JUREK MARTIN AND DAVID BUCHAN IN NEW YORK

PRESIDENT JIMMY CARTER, staking out the political ground for his uphill fight to retain the presidency, yesterday claimed that only once before in American history had the country been faced with such a stark ideological contrast between the two Presidential candidates and parties.

He told a Democratic Party meeting in New York on the morning after accepting the nomination from the party convention that, "with the possible exception of Goldwater versus Johnson in 1964, there has never been a sharper distinction."

Mr. Carter argued that the convention had given the Democrats a good send-off for the autumn campaign. "It could not have been better," he told the Democratic National Committee. "It started in doubt and disunity," with the almost certainty that a powerful element of the party—the Kennedy Liberal wing—would desert the campaign. But the Democrats had turned the corner this week and would hold on to both the White House and Congress "overwhelmingly" in November.

The onslaught on Mr. Ronald Reagan, the Republican contender, and what Mr. Carter described as the fantasy world of Republican policies had been a major feature of his acceptance speech on Thursday night, along with his fulsome tribute to Senator Edward Kennedy, who joined Mr. Carter on the podium at the convention's conclusion.

In their addresses both Mr. Carter and Vice President Walter Mondale were intent on taking a leaf out of President Lyndon Johnson's book 16 years ago when he successfully portrayed Senator Barry Goldwater as a dangerous and simplistic radical of the far right.

Mr. Carter's speech was exceptionally combative in tone in its scathing denunciation of Mr. Reagan—whom he never mentioned by name—and the Republican Party.

This style, the President's advisers freely concede, is a conscious attempt to emulate the "give 'em hell" approach used by President Harry Truman when he came from far behind to win in 1948.

But this, as both the delivery and reception of the speech clearly demonstrated, is not Mr. Carter's forte. He came over as strident, even strained. Many observers compared his address unfavourably with the eloquence and relative moderation Mr. Reagan displayed in accepting the Republican nomination last month in Detroit, not to mention the finely written and spoken address of Senator Kennedy on Tuesday night.

Certainly Mr. Carter, for all the satisfaction he has every reason to feel at capturing, for the second time, the Democratic nomination against overwhelming odds, cast no magic spell on the convention on Thursday night (as he had in the same auditorium four years earlier).

He gave Democrats little reason to support his candidacy other than their fear and loathing of Mr. Reagan.

The President even had to endure the rare mortification of bearing a passage in his speech spontaneously *booed*—when he commended his reintroduction of the conditional military draft. Later the convention also jeered when Dr. Zbigniew Brzezinski, the National Security Adviser, was introduced on the podium. This is a testimony to the misgivings many liberal Democrats hold about his hawkish views.

It is also apparent that Mr. Reagan will not necessarily provide an easy target. The word from his Californian headquarters is that, without sacrificing his conservative base, he will continue to reach out to more moderate Democrats and independents, seeking to shed both his and the Republican image of being the man and the party of the privileged.

Mr. Carter's advisers are pinning great hopes on the President scoring heavily over Mr. Reagan in the series of candidate debates this autumn. They believe Mr. Carter's mastery of disparate material will show up favourably against Mr. Reagan's tendency to muddle his facts and his arguments.

But it must be pointed out that Mr. Reagan fared pretty well in debates in the Republican primaries, admittedly against less testing opposition, and that Mr. Carter did not exactly destroy former President Gerald Ford, as he had hoped, in their debates in 1976.

Republicans in the fast lane, Page 2

£ in New York

—	Aug. 14	Previous
Spot	$2.3770-3780	$2.3780-3790
1 month	1.45-1.38 dis	1.54-1.48 dis
3 months	5.52-5.47 dis	5.70-5.65 dis
12 months	7.65-7.55 dis	7.85-7.75 dis

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:					
Treas. 14pc '98-01	£105⅛	+ ⅛	Powell Duffryn	220	+ 10
BAT Inds.	280	+ 5	Royal Insurance	402	+ 6
BOC Intl.	82	+ 3	Sainsbury (J.)	447	+ 7
BTR	368	+ 16	Tarmac	266	+ 5
Bsker Electronics	107	+ 6	Tube Invs.	250	+ 6
Baker Perkins	78	+ 4	Unilever	495	+ 8
Barclays Bank	405	+ 13	Vickers	125	+ 7
Blue Circle	364	+ 6	Vinten	180	+ 12
Bowthorpe	135	+ 7	Guthrie	850	+ 25
Harris (P.)	73	+ 7	Hidong Estste	56	+ 9
Horizon Travel	285	+ 15	CRA	294	+ 10
Ladbroke	182	+ 5	Durban Deep	£14	+ 1¼
Lee Cooper	145	+ 7	East Rand Prop.	£14¾	+ 1¾
Legal and General	216	+ 8	Gopeng Cons.	515	+ 35
MEPC	234	+ 7	MIM Hldgs.	264	+ 12
Martin (R. P.)	60	+ 10	Ventersport	653	+ 20
NatWest Bank	372	+ 12	FALLS:		
Pifco "A"	156	+ 6	Catalin	63	− 5
Plessey	241	+ 9	Comet Radiovision	76	− 5
Polly Peck	98	+ 8	*Olives Paper Mill*	20	− 4
			Bougainville	113	− 7

OVERSEAS NEWS

Gierek flies home to face spreading Gdansk strikes

WARSAW — Poland's Communist leader Mr. Edward Gierek yesterday flew home from a three-week holiday by the Black Sea to face the surge of labour unrest sweeping the country.

It was not clear whether he had cut short his stay in the Soviet Union to take personal command of the situation but officials appeared hopeful that he would be able to find a formula to restore labour peace.

The Polish strikes and demands for free trade unions have sent shock waves through Eastern Europe and the situation is being carefully monitored. The Kremlin is believed to be reluctant to intervene and appear to be backing the Polish leaders in making concessions to the strikers.

Mr. Gierek conferred with Mr. Leonid Brezhnev, the Soviet President, while on holiday, and it is believed that he continues to enjoy the Kremlin's full confidence.

Soviet officials apparently believe that the unrest has mushroomed because of over ambitious industrial policies in Poland and because of Warsaw's $20bn debt to Western countries, a major strain on the country's taut economy.

The 46-day strike wave, sparked by increases in meat prices, has involved thousands of disgruntled workers in about 150 separate stoppages throughout the country.

Yesterday the strike of 16,000 workers at the Lenin shipyard in the Baltic port of Gdansk was spreading, and officials in the city said tram and taxi drivers had also stopped work.

The spreading of the unrest to Gdansk is seen as significant because the port was a flashpoint for riots which toppled a previous Communist leadership ten years ago.

The striking shipyard workers yesterday demanded to see Mr. Edward Babinch, the Prime Minister, or other high-ranking officials to discuss their request for the establishment of a free trade union.

Warsaw's state-controlled newspapers appealed yesterday for striking workers to return to their jobs and end the wave of unrest.

The official Communist Party daily, Trybuna Ludu, in a front page commentary, said the regime did not "exclude discussion on the existing situation even in a sharp dispute."

"Non-working plants which don't produce anything are not an answer to our situation," the newspaper said. "We have to care, all of us, for discipline and calm, for order."

Agencies.

Tempers fray in trawler blockade

BY DAVID WHITE IN PARIS

FRENCH fishermen continued their protest action in Channel ports yesterday—a public holiday—although Calais and Boulogne, which handle the heaviest cross-Channel passenger traffic, appeared to be working normally.

Le Havre, Europe's third-busiest port, was blocked for the third day running by vessels form nearby fishing centres. Some 15 ships were reported to be queuing outside the harbour entrance waiting to dock and 17 vessels were trapped inside.

Le Havre, where talks between the different sides in the dispute are scheduled for Tuesday, has become a second focal point of the conflict after Boulogne. Tension rose sharply as a result of the French navy's intervention on Thursday in an unsuccessful bid to free access to the port.

M. Joel Le Theule, the Transport Minister, said yesterday that the situation in Le Havre had become unacceptable.

The yachting centre of Fecamp an other ports were blockaded yesterday, causing frayed tempers and frequent skirmishes. Several Channel ferries were diverted to Cherbourg, which remained clear, and cargo ships destined for Boulogne headed for Belgian ports to avoid the risk of delay.

A threat by Boulogne trawlermen to stage extensive protest action today has set back hopes of a weekend truce which had been expected as a means of reducing the economic loss to the region.

Unemployment rises in France

BY OUR PARIS STAFF

THE RISE in French unemployment resumed last month after a brief respite in May, with the seasonally-adjusted total going back up to 1.47m, 5.7 per cent more than a year earlier.

The 0.7 per cent increase last month confirms the trend that has set in since November last year, and which has brought rises in eight of the past nine months.

Although the rate of increase has levelled off in recent months, the prospects for the remainder of the year are more gloomy, as some 800,000 young people arrive on the labour market for the first time in a period of slow economic growth.

The Government's latest youth employment campaign is to be launched in earnest at the end of the holidays. The number of school-leavers was, according to the Labour Ministry, the main factor in the July increase.

The number of job openings meanwhile dropped by 4.7 per cent between June and July, even after accounting for seasonal fluctuations.

The proportion of under-25s among job-seekers has increased slightly since last year to touch the 40 per cent mark. The proportion of women has also risen, and now stands at 55 per cent of the total and 65 per cent of the unemployed under-25s.

Zimbabwe considers prosecution of Walls

By Our Salisbury Correspondent

THE GOVERNMENT of Mr. Robert Mugabe is considering prosecution "or other administrative action" against General Peter Walls, who until the end of July was head of Zimbabwe's joint military command. This was announced in a special statement before the start of normal parliamentary business in the House of Assembly here yesterday and was greeted with roars of approval by government backbenchers.

Mr. Nathan Shamuyarira, Information Minister, accused the General of causing "incalculable harm" to Mr. Mugabe's "reconciliation" programme. In television interviews in Britain and South *Africa this week, General Walls* admitted that he had asked Mrs. Thatcher to annul the election results. He also warned that civil war in Zimbabwe was now a "distinct possibility."

Dr. Shamuyarira was loudly applauded by his own party when he said that whites who could not accept the new order should "quit."

The Minister was, however, accused of making "an inflammatory, mendacious and misleading" statement by Mr. Pieter van der Byl, the former Rhodesian Front Defence Minister, who accused the Government of trying to create a diversion and distract public attention from internal difficulties

Dr. Shamuyarira claimed that the Government had documentary evidence to support the story published by a London newspaper this week that General Walls was implicated in planning a military coup, codenamed "Operation Quartz" which was due to take effect the day on which the election results, that swept Mr. Mugabe to power last March, were announced.

Japan current account deficit widens in July

By Richard C. Hanson in Tokyo

HOLDERS OF yen can draw little comfort from the latest current account figures, released yesterday by the Finance Ministry, particularly since the Government is reported to be near a decision on lowering interest rates to bolster the domestic economy.

The July current account deficit, adjusted for seasonal factors, widened to $1.5bn from an adjusted $1.334bn in June. Before seasonal adjustment, the current account deficit stood at $960m, compared with $929m in June, despite the second month in a row of small unadjusted merchandise trade surpluses.

July, traditionally a strong export month, saw exports gain 29 per cent from last year—the eighth month of double-figure expansion. Imports, however, were up by 30 per cent. Japan paid $4.6bn for crude oil last month, 78 per cent more than a year ago, accounting for 37.3 per cent of all imports.

On the positive side (which the Government tries to emphasise), the overall balance of payments, before adjustment, returned to surplus for the first time since February 1978. The July overall surplus was $320m, but this still leaves the January-July deficit at $10.9bn, $2.5bn more than the corresponding period of the previous year. The surplus is the result partly of continued large net inflows of foreign investment into securities. Net investment has been increasing since April.

The prospects of continued current account deficits as a result of oil imports have made some in the Central Bank reluctant to tamper with the official discount rate, at a record level of 9 per cent

But reports this week have indicated that a decision to lower the rate by up to 1 per cent could be made as early as next week.

More Iranians shot for plotting coup

By Patrick Cockburn in Tehran

ANOTHER 15 military officers, accused of involvement in the coup d'etat in July against the regime of Ayatollah Khomeini, were executed yesterday, bringing the total shot to 64.

Among those executed was Major Gen. Said Mehdiyun, briefly head of the air force just after the revolution. He was accused of leading the plot.

Mr. Yusef Khoskish, former head of the Central Bank was also executed yesterday accused of corruption and assisting the U.S. in economic penetration of Iran.

Mr. Khoskish was governor from 1977 until the revolution in 1979. Born in 1906 and educated in Iran and Paris he had held a variety of top banking and financial jobs during his career.

Meanwhile, in one of the first public references by a leading political figure to the consequences of Mr. Ronald Reagan being elected U.S. President in November, President Abol Hassan Bani-Sadr warned yesterday that this would lead to further attacks on Iran which must be repelled.

Ian Hargreaves in Washington reports on plans to speed up America

Republicans in the fast lane

"DRIVE AT 90 and watch a Yankee freeze in the dark," was one of America's more memorable bumper stickers of the grim mid-winter of 1979-80, when the hostages were cooped up in Iran and the Russian tanks were bearing down on Kabul.

The sticker, prominently displayed in certain southern states, was intended as a tongue-in-cheek response to a nation-wide advertising campaign featuring the stern gaze of Ayatollah Khomeini and the message: "Drive at 55. Fight back."

There are no reliable reports on the campaign's effectiveness, but the whole question of the slowing of America has been cast back into the political arena. The Republican Party's election policies include a proposal to scrap the national 55-mile-an-hour speed limit and once more allow states to set their own standards.

Nothing is so popular as a debate about speed limits, as recent experience in Britain and France shows, but the vastness and geographical diversity of the U.S. lends the debate a special regional acrimony.

By this is meant not so much the bumper sticker taunt against heating-oil-dependent northerners, but the fact that inhabitants of remote and thinly populated states like Montana and Wyoming can, and do, argue that what's fair and safe for Massachusetts or Washington DC may be unfair and irrelevant in states where motorists have to drive long distances on roads where you would no more expect to meet a pedestrian than a penguin.

Heat is added to the debate, as is not unusual in this country, by the presence of another irresistible soap box issue: federal taxes and the way these are dished out back to the states—so-called revenue sharing.

The net result of speed limit laws in the last seven years is that if California does not persuade its motorists in greater numbers to stick to the 55-mile-an-hour limit in the last three months of this fiscal year, it will lose $11m in federal funding for its roads programme.

This has come to pass as a result of a process which began with the oil crisis in 1973/74, when, as an emergency temporary measure, Congress instituted the 55-mile-an-hour limit.

The result, aside from saving a few million barrels of imported oil, was the first significant drop in fatal motor accidents since the car was invented. In 1973, 54,952 people lost their lives on American roads. In 1974, the number was down to 45,196. The law was there to stay.

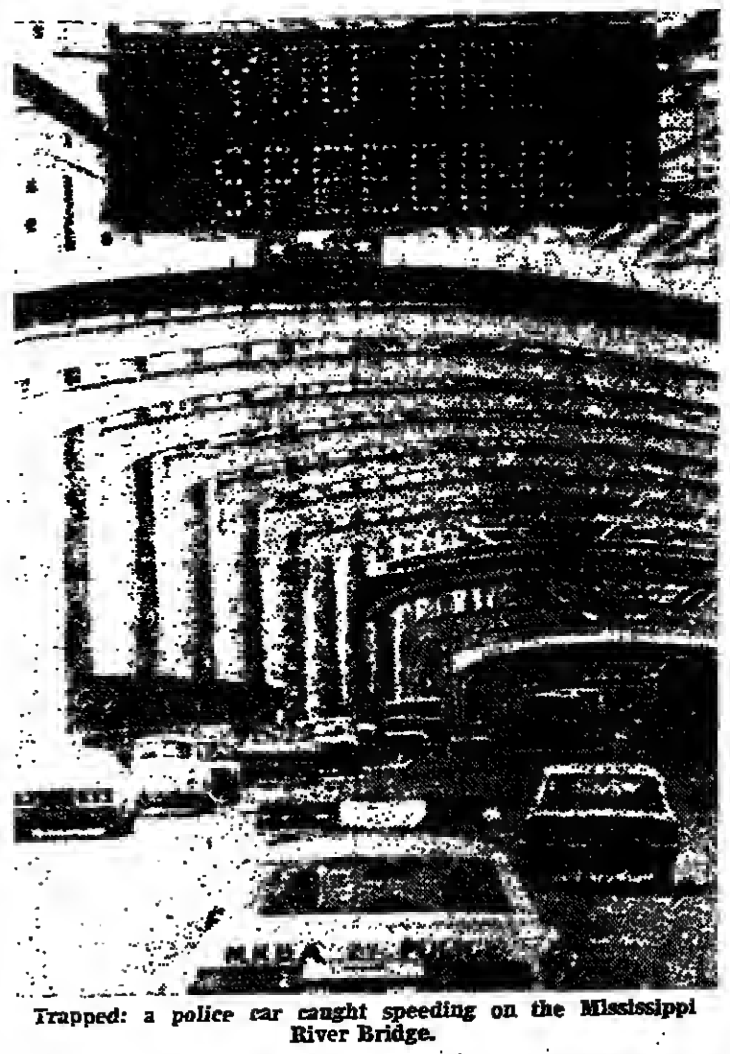
But enthusiastic legislators were not content with a limit. They decided to set up a carrot and stick for compliance, telling the states they would lose first 5 per cent then 10 per cent of their highway funds, if a certain percentage of compliance with the limit was not proved in each state.

That was not too much of a problem at first. The law was fresh and so were the oil wounds, and in any case the required level of compliance was not all that great. But this fiscal year, the required level of adherence is 40 per cent. Next year it will be 50 per cent, than 60 per cent in 1982, going up to 70 per cent in 1983 and for the rest of time—unless the law is changed.

With counts in for the first three quarters of this year, California already looks £11m out of pocket. In federally supervised radar checks, 67.3 per cent of the state's traffic was judged to be ignoring the speed law. Other Western states, such as Wyoming and Montana, are also right on the borderline of infraction, with only three months left to get on the right side of the law.

Fuelled by these financial incentives to overturn the speed limit, proponents of the Republican position are finding other ammunition for their cause.

The accident statistics, alas, show that since 1975, when deaths totalled 44,525, the rate has started to climb again, reaching 50,800 last year. Although this is still well below the 1973 figure, especially considering that 20m more cars have come on to America's roads in the interim, it is fodder for those who say the limit is not working.



Trapped: a police car caught speeding on the Mississippi River Bridge.

As for fuel saving, everyone has to agree the effects have been marginal. Even the Department of Transport, which like most Departments of Transport is constantly looking for ways to curb accidents and which is therefore a natural backer of speed limits, says the limit is saving 3.5bn gallons of petrol a year, against consumption of 120bn gallons.

But the department refuses to accept that compliance is uniformly deteriorating. Their statistics show that only 49 per cent of drivers on the inter-state roads (like motorways) were found speeding in the first half of this year, compared with over 54 per cent last year.

Not surprisingly, compliance is best in the more populated states, with the prize going to Maryland, which had fewer than 29 per cent of speeders in the first nine months.

The Maryland police, whose territory extends into covering the fiercest race track in the U.S., the New Jersey Turnpike to New York City, try hard to catch people, hiding their radar squads in hayricks and apparently broken-down trucks, and sending plain cars in pursuit of potential violators. In California, the state legislature has consistently refused to provide funds for radar detectors.

One vested interest group caught in the middle of this east-west crossfire is the motor industry, which welcomed the cut in speed limits from 70 to 55 with prompt redesign of speedometers. Even in the fanciest Ford today, the maximum clock speed is 85.

As Ford and the others have sought to reduce the size and fuel consumption of their cars, which for many reasons (ranging from crash regulations to the need for air conditioners) are heavier than most European cars, the absence of a need for high speeds has helped.

Whether the Republicans in their present freedom of the individual, state power tax-cutting mood will really force the pace on speed limits if they are elected is hard to say.

But as one north-easterner put it, in truest Yankee fashion: "It would take a cowboy to turn that one loose again."

Mr. Bassam Shaka, the mayor of Nablus in the occupied West Bank, who arrived in London yesterday for medical treatment following the loss of his legs in a car bomb explosion on June 2. No one has been charged with causing the explosion or the two other blasts which injured another Palestinian mayor and an *Israeli bomb disposal expert.*

Uraguay to move Israel Embassy

By David Lennon in Tel Aviv

THE DEPARTURE of foreign embassies from Jerusalem began to gather momentum yesterday, when Uruguay announced it was transferring its embassy to Tel Aviv in protest at Israel's recent law proclaiming all Jerusalem as the country's capital.

Venezuela told Israel two weeks ago it would transfer its embassy to Tel Aviv, and the Netherlands, the only European country with a Jerusalem embassy, plans to reconsider the matter at a Cabinet meeting on Monday.

Israel persuaded only 13 countries to open embassies in Jerusalem, and now fears the other 10, all representing South and Central American countries, will follow Venezuela and Uruguay.

The Israeli Foreign Ministry yesterday regretted Uruguay's decision. It described Uruguay as a long-time friend and one of the states which voted in the United Nations three decades ago in favour of the creation of Israel.

"It is a matter of regret that states with proud national traditions are surrendering to pressure from Arab governments," the Foreign Ministry declared.

Israel is now bracing itself for a UN Security Council statement, possibly this evening, urging all nations to withdraw their embassies from Jerusalem in protest at the new Israeli law.

Riots highlight India's tensions

BY K. K. SHARMA IN NEW DELHI

INTER-COMMUNAL riots in the city of Moradabad in Uttar Pradesh State for the past two days have claimed more than 120 lives and focused attention on the major problem of divisive forces among India's 650m population.

The Prime Minister, Mrs. Indira Gandhi, referred to the clashes between Hindus and Moslems, who are in the minority, during her Independence Day address to the nation yesterday from the ramparts of the historic Red Fort in New Delhi.

She expressed the Government's determination to protect the minorities but acknowledged that even after more than 30 years of independence since 1947, when the country was partitioned amidst bloody fighting between the Hindus and Moslems, communal tensions remain.

The riots in Moradabad, where a curfew has been ordered, are the worst Hindu-Moslem clashes in recent years. Violent incidents continue sporadically in all parts of India, however, particularly in the north where Moslems tend to concentrate in pockets for safety.

Despite repeated official efforts to promote national integration through special concessions and incentives for the minorities — particularly the religious one—all parties concede that divisive forces still have the upper hand.

They are reflected in riots like those in Moradabad where the clashes began after a minor incident involving a pig in an Independence Day procession.

Swedish MPs to be recalled

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

SWEDISH Members of Parliament will be recalled from their summer recess on August 25 to discuss the economy and the Government's plan to raise value added tax.

Mr. Thorbjörn Fälldin, the Prime Minister, decided to call the extraordinary meeting of the Riksdag (Parliament) after talks with the Social Democrat opposition over the VAT increase broke down yesterday. The session is expected to last until September 5.

The Government hoped to have the VAT change passed by the parliamentary finance and tax committees, but has had to bow to the Social Democrats' demand for a full parliamentary debate on the economy. The coalition has a majority of only one in the Riksdag.

Opposition to the VAT increase is mounting. Mr. Olof Palme, the Social Democrat leader, yesterday said his party would negotiate on economic policy with the Government only if it dropped its VAT proposal.

The unions have come out strongly against increased VAT. Mr. Curt Nicolin, chairman of the Swedish Employers' Association, said on Tuesday he would have understood the VAT increase better if the Government had proposed it six months' earlier, not now when the economy was turning into recession.

Even the Prime Minister appeared to waiver after yesterday's meeting with Opposition leaders. The Government would not determine the final shape of the VAT Bill before next week, and would consider points raised by the Opposition, he said.

Several leading Opposition politicians and union leaders this week urged the Government to call a general election.

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UK NEWS

BL wins orders from Kenya and China

By Ray Perman, Scottish Correspondent

THE troubled commercial vehicles division of BL yesterday announced export orders worth nearly £7m for trucks and buses for Kenya and China.

The contracts will be supplied by Leyland Vehicles' medium-light division factories at Bathgate, West Lothian, and Scotstoun, Glasgow. They will not, however, affect plans for short-time working announced last month.

The company has already said that 6,000 employees at the two plants will work one week in two because of the severe slump in orders from domestic and export markets.

The order from Kenya involves 600 trucks of the Boxer, Reiver and Clydesdale ranges plus some Super Elan models, which are derived for export markets from the Reiver.

They will be built at Bathgate, which is to become the main medium weight truck assembly plant for Leyland Vehicles following a major reorganisation of production facilities this autumn.

It is the biggest single contract won by the Bathgate factory for two years.

The company said yesterday that, despite two new orders, it was still necessary to "batten down the hatches" to survive the storm caused by the recession in the vehicles industry.

A second contract for Leyland coaches has been placed by Guangdaong and Hongkong, a joint company owned in the People's Republic of China, and Hongkong, which plans to operate a scheduled bus service between the two countries.

The order is for 27 Leyland Clydesdales and three Leyland Viking chassis and is worth £800,000. Coachwork will be provided by the Hongkong company M. D. Motors.

● THE TALBOT motor company said last night that it had appointed D'Arcy McManus and Masius as its car advertising agents. "Their brief embraces the entire Talbot range of cars sold in the United Kingdom," the announcement said.

● BUREAUCRATIC DELAY: New ways of testing the fire performance of upholstered furniture will be delayed because of Government cuts and bureaucratic tangles, says the weekly Building Design. Methods developed by the Government's fire research station, have to negotiate a lengthy process of ministerial checking at the environment department before being published.

● VAT RELIEF: A Treasury Order and Customs and Excise Regulations which come into operation yesterday will allow certain small non-commercial consignments of goods sent from abroad by an individual to another in the United Kingdom, for personal or family use, to be relieved from the payment of VAT and excise duty.

● INQUIRY: British Rail yesterday launched an immediate inquiry into an accident in which a goods train crashed into the back of a stationary train carrying chemicals. The accident, which happened between Northampton and Roade early yesterday, blocked the main line between London and Northampton.

● NF BAN: Five National Front marches planned to take place in the Midlands tomorrow were banned yesterday by Mr. William Whitelaw, Home Secretary.

The ban follows a police application to five district councils in Dudley, Wolverhampton, Walsall, Coventry and Small Heath in Birmingham calling for a halt to the marches.

Biffen confident of continuing decline in rate of inflation

BY ELINOR GOODMAN

THE GOVERNMENT is hoping for a sustained improvement in the rate of inflation, marred only by occasional monthly hiccups.

Mr John Biffen, Chief Secretary at the Treasury, said yesterday the general direction of inflation should be *downwards*. There was evidence, he maintained, that monetary constraint was working its way through to prices.

His claim came as Labour politicians dismissed the July drop in the prices index as derisory and tried to increase the Government's embarrassment over the rise in the Tax and Prices Index launched by Mrs Margaret Thatcher last year as a way of gauging inflation more accurately.

More UK news, Page 18

Mr Roy Hattersley, a former Labour Prices Secretary, challenged the Government to stand by the index. Another former Labour Prices Minister warned that even with the drop, the unions would regard 17 per cent as the starting point for wage negotiations this autumn.

Mr. Biffen acknowledged there would be months in which the rate of inflation would pick up again, and that "nobody would say that *16.9* per cent is good by any historical standard."

Confirmation of the long-awaited drop in the rate of inflation was greeted with relief by Tory MPs, who still regard inflation as far more damaging politically than rising unemployment.

The figures had been so well *trailed* in advance that Conservative backbenchers would have been appalled had the rise in the index not fallen to below 17 per cent. They were hoping that the July figures would be just the beginning of a long-term improvement, and were not allowing the rise in the Tax and Price Index to destract from the satisfaction of at last seeing what they insisted was the main prices indicator fall.

Ministers are likely to point to the reduced rate of inflation as a reason for moderating wage demands, but Mr. Biffen told ITN there was no direct relationship between the rate of inflation and the level of pay.

Over the past six months, he said, it was clear that the rate of pay settlements was significantly lower than inflation. Workers had faced up to the fact that, when their jobs were at risk, they had to settle for what their employers could afford.

On BBC radio, Mr. Biffen agreed that the drop in the RPI was largely due to last year's increase in VAT coming out of the index, but he claimed that the July figures, like the indices for the past three months, showed a fall in prices "quite unrelated to the taxation issue."

As far as the July index was concerned, he maintained that about "half a per cent" was due to factors other than that. The most important contributory factor, he said, was "*monetary constraint.*" There was evidence of it working its way through the system and "having an impact on a whole variety of goods and services" included in the RPI.

Mr. Hattersley said the real fall in the rate of inflation was "infinitesimal." The figures, he said, called into question the integrity of the Government in general and the Prime Minister in *particular*.

A year ago, he said, Mrs. Thatcher had insisted that the important measurement of inflation was not the RPI but the new Tax and Prices Index. The RPI had fallen in July, Mr. Hattersley acknowledged, but the tax index had gone up from 17.4 per cent to 18.5.

The Government, he said, had kept very quiet about that. Did it still say that the tax index was the important index, or "was it just an invention to fool the people at a time of temporary and illusory tax cuts?"

Mr. Alan Williams, a junior Prices Minister in the last Labour government, also dismissed the fall as derisory. Unions would regard 17 per cent as the starting point for wage negotiations given the rise in the RPI.

Recruitment to forces 'going well'

By Michael Donne, Defence Correspondent

RECRUITMENT for the armed forces is "continuing to go well" according to Mr. Francis Pym, Defence Secretary, although there are still some shortages of key technical personnel in some areas.

Whilst visiting Scotland yesterday, Mr. Pym said that in the three months to the end of June, recruiting was 22 per cent up to 12,788 on the same quarter last year. This is the highest April-June intake with one exception for the past 18 years.

Eight per cent fewer service personnel left than in the same period in 1979—the first time since the end of the Second World War that fewer than 10,000 people left the services in any quarterly period.

Mr. Pym said that while these trends were encouraging, there were still some severe shortages of forces manpower, especially in some technical areas that needed urgently to be filled.

He urged all ranks "to remain in their posts because of the dangers we and the whole free world face in the years immediately ahead."

Mr. Pym attributed this improvement to the Government's decisions last year and earlier this year to give the forces pay rises designed to bring them up to comparability with civilian levels, and to maintain pay at those levels.

But he made it clear that even further recruiting was necessary.

"The sustained build-up of Soviet military power over the past ten years is far in excess of what we and our NATO allies have achieved. The preponderance of strength on their side is dangerous to world stability, and we must be especially vigilant until a better balance is secured.

"The Government is making every possible endeavour to build up our own forces as quickly as possible. It is a gradual process in any case, but we are doing it now in unfavourable economic conditions.

Stockbroking firms agree to merge

BY CHRISTINE MOIR

TWO North of England stockbroking firms are to merge. Wise Speke, of Newcastle-on-Tyne, which also has offices in Middlesbrough and a dealing office in London has approached Tennant and Hirst, an established Leeds firm, and won agreement to a merger.

The new company will be called Wise Speke and Co. (incorporating Tennant and Hirst).

Mr. Peter Order, a partner at Wise Speke, said yesterday that his firm was attracted by Tennant and Hirst's private client business and its contacts with companies in the Leeds area.

Wise Speke specialises in research on industries typical of the Newcastle area—capital goods processing and building, but believes a local presence is needed to attract companies in the Leeds area.

About a third of Wise Speke's business is institutional. Tennant and Hirst's is entirely in the private client area.

Mr. Order said that it was Wise Speke's policy not to let private business fall to less than half total business, so that as institutional contacts grew there was a need to increase the private client book. It was easier to take over an established book.

Bid to move accountant

BY GARETH GRIFFITHS

THE Consultative Committee of Accountancy Bodies says Mr. Kenneth Sharp, head of the Government Accountancy Service since 1975 should be transferred from the Department of Industry to the Treasury.

In its supplementary evidence published yesterday to the Commons Treasury and Civil Service Select Committee, the consultative committee argues that as the head of the Government Accountancy Service is concerned with central policy matters, he should be based in a central department.

The committee, which covers the main accountancy institutes and associations in the UK, is concerned that without this small team at the Treasury, the head of the Government Accountancy Service would be isolated.

GE wins airline order

BY OUR AEROSPACE CORRESPONDENT

A $50M (£21m) order by British Caledonian Airways for U.S. General Electric engines for its three new Airbus A-310 airliners was signed yesterday by Mr. Adam Thomson, British Caledonian chairman; and Mr. Neil Burgess, vice-president and general manager of General Electric's airline programme division.

The engines will be the new CF6-80A1 models of the CF6 series, giving a 6 per cent improvement in fuel consumption over earlier versions.

General Electric won the contract after fierce competition with Pratt and Whitney of the U.S. Rolls-Royce was not considered, as no version of its RB-211 engine is yet certificated for the Airbus.

The deal is for 16 engines. Six will be for the twin-engine A-310s on firm order and six for the three A-310s which British Caledonian has on option. There are four spare engines.

The fact that British Caledonian already uses General Electric engines on its *DC-10* wide-bodied jets clinched the deal in its favour.

Sales slump forecast in waste paper

By William Hall

THE waste paper industry is facing its most severe recession for years. Sales volume, it says, will drop by more than a fifth in the next 12 months.

More than half the paper and board produced in the UK is made from waste paper collected by merchants, local authorities and voluntary organisations. Last year, the UK consumed 2.2m tonnes of waste paper.

Usage continued at high levels in the first four months of this year. But since May demand started to drop.

The British Waste Paper Association said that, after its discussions this week with the British Paper and Board Industry Federation, waste paper supplies could drop by up to 500,000 tonnes in the coming year.

The association blames the deepening recession and the downturn in export markets, which took 116,000 tonnes of waste last year.

Three months ago, 20,000 tonnes a month was being exported, but this has dropped to 12,000 tonnes.

Since the start of the year 22 paper and board machines have been closed. Annual waste paper-using capacity has been reduced by 263,000 tonnes in the past 12 months.

The association says that there is far more waste paper than mills now need. There can be little doubt that the industry's future is going to be "very bleak and merchants will be struggling to maintain viable operations."

In the past few years many UK companies invested heavily in building up their waste paper-based activities. A year ago it was reported that investment of more than £130m was in hand to boost UK waste paper consumption by 500,000 tonnes a year. A Government committee on waste paper supply, which was established in November, 1978, is expected to publish its report soon.

The industry is particularly sensitive to changes in economic growth.

Wallpaper company to end production

By James McDonald

of the Berger, Jenson and Nicholson paints group, is to stop production of printed wallpaper at its two mills in Guiseley, West Yorkshire, and Peterlee, Co. Durham, at the end of November.

More than 200 full and part-time jobs will be lost—160 at Guiseley and 100 at Peterlee.

The company, which had about a 5 per cent share of the UK market, will continue to produce and market lining and wood chip papers at Guiseley. Berger Jenson and Nicholson is a subsidiary of Hoechst, the West German chemicals group.

Mr. Barry Tate, chief executive of Arthur Johnson, said yesterday: "We have been facing serious problems over the past few years. More recently these have been made a good deal worse by the general economic recession which has hit hard both our home and overseas markets."

The decision follows closures and substantial production cuts by other manufacturers.

The wallpaper industry has excess manufacturing capacity in view of the long-term decline in markets into which paint has moved. It has been particularly vulnerable to high interest rates and, in export markets, to the strong value of the pound.

J. C. Bamford Excavators is cutting its 1,800 workforce by 146 and putting its Staffordshire manufacturing plant on a four-day week from Monday.

The job losses will be spread between office staff and non-production workers. The company is unable to say how long the four-day week will continue, "but it is certain that it will lead to further redundancies affecting the manufacturing area."

Mr. Gilbert Johnson, JCB's chief executive, said that there had been a "very severe decline" in demand recently for earthmoving machinery in the UK and the U.S., two principal markets.

"In recent weeks our order position has deteriorated rapidly as the recession has hit building and construction in both countries."

UK inflation in the past few years had not been matched by increased productivity. In 1976, UK manufacturing costs were roughly the same as in the U.S., Japan, Germany and France. "Today, as a result of inflation, low productivity and the strong pound, British industry's costs are as much as 50 per cent higher than those countries."

In the past few months JCB had slashed all expenses other than employment costs. It told its suppliers recently that it could not accept any more price increases. "Now we have no alternative but to make manpower reductions," Mr. Johnston said.

Ley's Malleable Castings, of Derby, which make castings for the motor industry, is to make 250 of its workers redundant by the end of the year, beginning next month. It introduced short-time working a few months ago.

About 500 men at British Steel Corporation's Staveley works near Chesterfield are to go on a four-day week. "We have been hit both by Government cutbacks and the recession in the motor industry."

Oates of Worksop, Notts, which has been making wooden handles for the hand-tool industry for 80 years, is to close with the loss of 145 jobs. It said it had been losing money for some time. Demand had dropped and the company had also been hit by cheap imports from the Far East.

Metal Box is to make about 80 more workers redundant at its Wisbech, Cambs, factory because of a reduction in demand for cans for the food processing industry. Some of the remaining 800 workforce may have to go on short time.

● ERIDIAN knitwear factory at Askern, near Doncaster—part of the Courtaulds group—is to close with the loss of 150 jobs.

● CRODA Food Ingredients Group—part of Croda International—is cutting manufacturing at Widnes, Lancashire, and 125 employees have been made redundant. "The serious effect" of increased energy prices is blamed, combined with the recession in the food and confectionery industries.

LABOUR

Unions asked to aid conference on nuclear disarmament

BY CHRISTIAN TYLER, LABOUR EDITOR

THE Communist-led World Federation of Trade Unions yesterday called on Western trade unions to help organise an international conference on nuclear disarmament.

The federation is trying to mount a conference early next year on the theme of the economic and social consequences of disarmament.

It hopes that by this means it may begin to thaw the freeze between itself and the International Confederation of Free Trade Unions, the body of Western trade unions that broke away at the start of the cold war in 1949.

Relations between the world federation and international confederation remain icy, at least at official level. But the world federation hopes that trade union opposition in Britain to U.S. nuclear strategy—especially the UK siting of Cruise missiles—will help draw the two sides together.

Mr. Noel Harris, head of the world federation's economic and social department, said in London yesterday that it was hoped to establish a preparatory committee for the disarmament conference with unions represented from the U.S., Canada, Australia, Britain, Scandinavia, France and the Soviet Union.

British unions which are being approached include the National Union of Mineworkers—which is organising an international miners' conference on peace, probably in London—the Transport and General Workers' Union, and the white collar section (TASS) of the Amalgamated Union of Engineering Workers, whose general secretary, Mr. Ken Gill, is a member of the British Communist Party.

The transport union has submitted a motion on disarmament for the annual Trades Union Congress in two weeks' time. It is unilateralist in intent, and the Labour Party conference in October will be confronting the same issue.

Significantly, the world federation which holds a 35th anniversary celebration in Moscow this October, is stressing that the international conference would not be under its aegis.

Mr. Harris said yesterday: "We hope to prove that investment in non-military areas is more productive in terms of employment than investment in arms."

The conference, therefore, would address itself less to the central question than to the economic consequences of a massive shift of Government investment out of military hardware.

Commission on pay criticised

By Our Labour Staff

THE STANDING Commission on Pay Comparability was criticised by the Transport and General Workers' Union yesterday for not using sectors sought by the union as comparators for the commission's report on local authority building workers.

Mr. Brian Cox, union national officer, said the union comparators had scarcely been used.

In the union's view there had been too great an emphasis on the use of the repair and maintenance sector. The findings of the report were "questionable."

The report of the commission, which has only half a dozen groups still to report on before it is wound up, said existing pay for most of the local authority building group workers was about right. Only the plumbers were isolated as a group where pay should be increased.

Mr. Cox said the union protested to the commission about its comparators and as a result a further meeting with the commission was set up. By this time, however, the report had been virtually concluded.

● DUSTMEN at Newport, Gwent, who have been refusing to cross picket lines at the strike-bit Royal Gwent Hospital were told by their union yesterday to remove piles of rotting rubbish from the hospital grounds.

The instruction came from the General and Municipal Workers, which said it did not want to jeopardise the health of patients. The two-week-old strike by 300 ancillary workers, all members of the National Union of Public Employees, is over the refusal by nine laundry women to move into a new, purpose-built linen room which they describe as dark and stuffy.

● SCUFFLES broke out yesterday outside Nicholls Concentrates factory on Merseyside. The factory has become the centre of a union recognition battle.

Anger over Chubb plant decision

By Christine Moir

Union organisers at the loss-making Brighton cash register manufacturing plant of Chubb and Son claimed yesterday that management has apparently made a decision to cease manufacturing without telling the workers.

Mr. Chris Darke, national organiser of TASS, the white collar section of the Amalgamated Union of Engineering Workers, said management had given categoric assurances that no statement would be made about the possibility of closure without prior consultation with workers.

"We are very shocked that a decision appears already to have been made despite the commitments of full consultation," he said.

The union statement, which signals further unrest at the already troubled plant, comes in response to a statement by Mr. William Randall, managing director, after the company's annual meeting on Wednesday.

At the time he refused to comment on whether a decision to cease making cash registers was imminent.

Mr. Randall said yesterday: "No decision has been made but a decision on the company's future will have to be made in the near future."

It is thought that an announcement cannot be delayed for more than a few weeks and that it is likely to reflect management's pessimism about trading conditions. Mr. Randall has admitted that the company has lost market share—mostly to Japanese imports.

Meanwhile, the Brighton factory at which cash registers are manufactured, is on short-time working. Mr. Randall said on Wednesday that the workers were on a two-day week. In fact, some are on a three-day week. Others, primarily in the still profitable cash dispenser side, are on four days.

The short-time working is an alternative to management demands for redundancies which had been resisted by the unions.

The unions have enrolled *local MPs* in an attempt to lobby Mr. John Nott, Trade Secretary, to consider controlling imports of cash registers.

Trawlermen's leaders plan aid share-out

BY RICHARD MOONEY

AGRICULTURE and Fisheries Ministry officials told fishermen's leaders yesterday that they planned to share the £14m aid announced last week among vessel-owners, rather than use it to support quayside prices or *finance slimming the fishing* fleet.

Outline proposals envisaged small inshore boats of 40 to 50 ft getting £1,250, with payments up to £24,000 for the biggest freezer trawlers.

The payments would go to vessels available for fishing on August 7, and depend on their owners' proving the *minimum* level of recent fishing activity.

The trawlermen's representatives accepted the Ministry's general approach, but were not happy with its formula for sharing out the money. They wanted better guarantees for boats under 40 ft.

The industry will hold discussions to draw up its own distribution plan, which it will present to the Government as soon as possible.

A Ministry proposal to stagger payment so that owners of small vessels would have time to establish their entitlement was rejected by the fishermen, who wanted payment in full immediately. They accepted that some money would have to be held back to deal with late claims.

Whitelaw refuses phone-tap probe

BY PHILIP BASSETT, LABOUR STAFF

A CALL from the Post Office Engineering Union for a fresh inquiry into telephone tapping has been rejected by the Government.

Mr. William Whitelaw, Home Secretary, has told the union that he read with interest its recent report on the interception of telephone calls, but it "does not lead me to change my view that a full inquiry of the kind you are seeking would not be justified."

Mr. Whitelaw acknowledges the "special interest" of engineering union members in the issue, but he says the Government's recent White Paper on telephone tapping covered much of the ground which any inquiry could "properly" cover. The Government's view was that the "continuous independent" check on interceptions, such as has been set up under Lord *Diplock*, "will be more valuable than a further inquiry."

The Government believes it has "struck the right balance between protecting order and security on the one hand and preserving the liberty and privacy of the subject on the other."

The union's report, which was based mainly on already-published official and journalistic sources and included no evidence from its own members, called for an inquiry because of what is claimed was the increasing instance of telephone-tapping.

Mr. Bryan Stanley, the union's general secretary, said the Home Secretary's reply "does not begin to answer the serious case which we put forward." He said the Government's White Paper on the issue "conceals more than it reveals."

The union does not intend to let the issue rest. Mr. Stanley said: "We shall continue to campaign for an inquiry and seek support for our views. We are convinced that, sooner or later, our request will have to be accepted by a Home Secretary, and that the sooner this happens the better for civil liberties in this country."

Brewers plan investment cut as beer sales slide

Pubs are expected to be main casualties, writes Gareth Griffiths

THE brewing industry, faced with falling beer sales since the spring and the prospect of a gloomy year, plans to cut its investment programme next year.

The main casualties are expected to be public houses. These are usually refurbished every five years or so. This is now likely to be extended to seven years.

British beer consumption per capita, ninth highest in the world, is falling quickly. Production this year is expected either to show no growth or decline in real terms by 1 to 1.5 per cent.

This year the industry expects to spend about £500m. Half will be on plant and distribution, half on refurbishing public houses and funding off-licences and club loans. This investment assumed a 2 per cent growth rate in sales.

Brewers' Society figures show a 10 per cent decline in production for May at 3,525,450 bulk barrels. Last year's May figure was 3,916,481 barrels. The June figure was 11.1 per cent down on last June. The April to June total fall averaged 6.4 per cent.

The link between production capacity and consumption is more apparent in the beer market than any other sector of the drinks industry. Pub stocks usually last for only 10 days to two weeks and trends work through quickly.

Society officials argue that the fall in production has not been as bad as appears. A considerable amount of destocking took place as demand to May was overestimated.

Second, production in the same periods of 1979 was high, both to cope with increased demand and the backlog caused by industrial troubles.

Third, there were fewer brewing days in May and June this year. Above all, the weather has been bad.

In spite of such statistical adjustments, the brewers are worried. Sales in the South have held up relatively better than in the more depressed North, but everywhere reports suggest the same pattern. Consumers go into pubs later, leave earlier and drink less.

Sales by pubs, particularly those in the tied trade, are crucial for brewery profits. The take-home trade is in a state of fierce competition.

Many analysts cannot see how brewers can make money on some take-home brands.

Equally depressing for the brewers is the competition in the free trade. Stockbrokers Rowe and Pitman's brewing analyst, Philip Shaw, noted in June that a bulk barrel of beer *sold* to a tied house would cost on average £15.76. In contrast, a sale to a free trade customer would net the brewery only £10.06.

Brewers are divided about the main causes for the industry's downturn. Some blame the weather, others the economy.

Preliminary research by Big Six companies suggests the decline in sales is most pronounced in areas of threatened redundancies and short-time working rather than in the high unemployment blackspots.

Beer sales in the West Midlands car manufacturing area and Luton, for instance, have been especially hit.

Lager sales continue to grow. There are indications of a slight switch in pubs from beer to spirits, especially vodka and whisky. The number of consumers is not declining on the whole.

Brewers argue, with justification, that the pub is a social centre and there is a residual demand for beer, whatever the economic climate.

The beer market suffers from a major structural weakness: it is almost exclusively a male market. More than 90 per cent of regular beer drinkers are men. Attempts to popularise the drink among women have generally failed.

The drop in sales has presented brewers with a dilemma over pricing. Increases averaging 2p a pint have been forecast for the autumn, with some commentators suggesting 10p a pint increases over the next year.

The Government is almost certain to increase beer duty more than for other drinks next year because of its promise to make wine and beer taxes more equitable. Such a move is necessary to avoid an embarrassing row with the European Court.

Beer prices were increased by an average 23.8 per cent between last autumn and the early spring without immediately hitting demand. It is doubtful whether the companies believe they can do the same again.

THE WEEK IN THE MARKETS

Long faces in the wards

While the gilt-edged market has been struggling to adapt to the post-corset money supply figures, equities have had even direr things to deal with in the shape of a string of depressing results covering the second quarter of the year. Both sectors of the market have largely held their ground—gilts with a little help from the Government Broker, equities with more fundamental resilience.

The outpatients are queueing outside the corporate casualty ward, shedding their dividends as they wait. Most of this week's have been in businesses relatively close to the consumer—Woolworth, for example, which traded at a loss in the second quarter as volume sales melted away. After another six months of high interest rates and rising imports, Carrington Viyella has plunged into loss, and the very low share price is signalling that a reconstruction is the best hope for the group.

BPC, the old British Printing, has also swung into serious losses and is now—despite the hopes of a bid from Pergamon, which has a 29 per cent stake—capitalised at little more than a quarter of book net worth. UDT has seen the market react savagely to halved profits and a deal with the Trustee Savings Banks which allows it to escape from the "lifeboat" of exceptional help from the banks but also scotches any hope of a takeover. At the present level of 47p the shares may just about be supported by assets and earnings.

A mighty pinch

Even the mighty Unilever is feeling the pinch these days as competitive pressures grow in its major markets in the UK and Western Europe. But the group is keeping its head down and aiming to hold its market share. Inevitably this has led to a drop in profit margins which at the operating level slipped half a point in the second quarter to 6.3 per cent for Unilever as a whole. European and UK operating profits were down by a tenth, despite recovery from last year's strike in the edible oils division.

All the same, the group has managed to hold the quarter's pre-tax profits roughly unchanged at £179m and in the first half there has been some advance to £317m (both these figures are struck at end-1979 exchange rates: if sterling stays at present levels there will be a downward adjustment of the order of £25m at the year end). The trick has been a strong performance overseas—Argentina,

LONDON

ONLOOKER

Malaysia, Indonesia, South Africa and Australia.

On top of this, there has been recovery in the Nigerian business as the Nigerian economy has begun to get going again. Overall, group volume sales may have risen 2 per cent in the second quarter on a fully comparable basis.

Lever Brothers in North America is still making serious losses, but the rest of the U.S. business seems to be fine. Before the currency adjustment, Unilever's figures should come out somewhere near last year's £606.6m—by no means a bad result in what looks like being one of the worst years ever for ice-cream. It will certainly look good against some other food manufacturers' calendar year figures; and of course Unilever's dividend paying power is immense.

Woolworth crashes

Woolworths' £16m interim profits slump made the front page of several popular newspapers on Thursday. A day later, the cartoonists were savaging the variety stores group in pen and ink. One, typically, had a street matchseller claiming that his profits would soon be level with Woolworth. Another showed a brush and broom pavement seller slumped beneath the group's well-known logo. The amazed tourist, surveying this apparition, is saying that the group had over 1,000 branches last time he was over here.

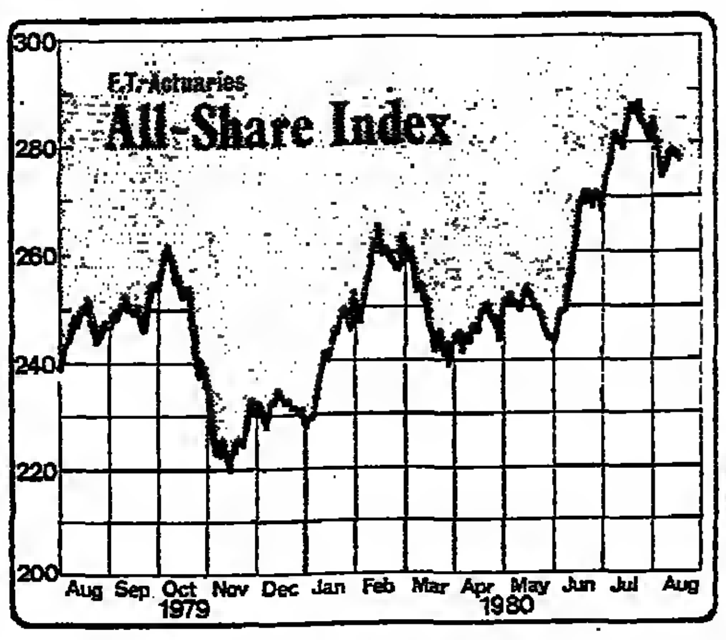
It was all good, if cruel, knock-about stuff. More importantly, it signified Woolworth's unique stake in the national buying consciousness. Hands up who hasn't been to Woolies for a paintbrush or a quarter pound of boiled sweets?

The downturn was severe. Second quarter profits of £8.8m last year had disappeared into a £3.1m loss in the corresponding period this time, excluding a surplus on property disposals.

Woolworth, with a great deal of justification, could cite the collapse of consumer spending to explain the profit blizzard. Other multiples chipped in with ha'porth to say how difficult the High Street environment has become and the squeeze was sufficiently severe for the shopworkers' union, USDAW, to comment publicly on the "developing crisis in the retail sector."

The consumer has always known that he can find almost anything should he wish to browse around one of Woolworth's 1,000 stores, but the evidence of the group's flat profits record and its development of market shares strongly suggests that the customer prefers a specialist shop when he wants high margin goods, be they records, hi-fi equipment, clothing, alcohol, or whatever.

The group has not, and probably cannot, identify market trends and exploit developing customer preferences solely because it is too big, too generalised, and an attack in a particular market segment is always swamped by the sluggishness of the business as a whole.



That leaves Woolworth as the most discretionary shopping chain in the country. Yet it would be wrong to say that the group is unaware of its bland, jack-of-all-trades image. The B and Q deal, announced eight days ago, is evidence of its burning ambition to expand the DIY coverage. Other attempts to pinpoint the marketing effort take in clothing, fast food, sports footwear—but is it all too late?

The smart, if cynical, City view is that Woolworth is indeed still behind the game and that its new marketing ploys run the risk of confusing the customer still further. But then, investing folk have reason to be annoyed. For the past decade or more, the sole reasons for buying Woolworth shares has been income. Yet the interim dividend has been cut, if slightly, although the savings are small compared to the price paid for B and Q.

Lonrho's choice

Immensely rich Arabs on a luxury yacht in Cannes Harbour may be dwelling in high excitement for the arrival of Mr Tiny Rowland, chief executive of Lonrho. The stakes are high for depending on Mr Rowland's mood they may manage to pick up a slice of House of Fraser, the Harrods department store group.

That is if Lonrho is of a mind to sell its 29.99 per cent stake in Fraser. With House of Fraser's shares standing at 147p the stake is worth around £66m.

Lonrho came out on the attack this week as Professor Rowland Smith attempted to ease himself into the executive hot seat at Fraser. A stern lawyer's letter was dispatched to the rearranged Fraser board by Lonrho reminding them of their duties. For its part House of Fraser has sought to replace the alternate director representing Lord Duncan-Sandys, Lonrho's chairman, after taking exception to press comments made by him.

While Mr Rowland may be bound for Cannes Professor Smith will be heading for Old Trafford at the weekend to watch his team Manchester United play Middlebrough at the start of the new season. He may have time to muse on whether Lonrho may make its long expected bid for House of Fraser in the near future. There may be more than just two league points at stake.

Auto anguish

Given the motor industry's harsh cost-saving response to a major decline in car sales, it is no surprise that component manufacturers are suffering. Outside estimates of Associated Engineering's profits for the year to September have been coming down to £13m against £19m last year and over £29m in the year before that.

Automotive Products, whose interim figures take in the critial second quarter of 1980, was hit badly and profits fell from £7.88m pre-tax to £3.17m. The group's factories are on a four-day week and the trading surplus after six months had probably disappeared on a current cost basis. Yet, with the necessity of re-building the Bolton filter works after the serious fire, capital spending will have to be comparatively high this year and will probably meet earlier targets of around £30m. That means, if net cash outflow hits £14m as expected, gearing will rise, probably past 40 per cent.

The price still suggests that AP will hold its dividend. The shares finally steadied at 62p on Thursday where the historic yield is under 8 which doesn't leave AP much room for error. It is pinning its hopes on a fourth quarter upturn in the important aftermarket, on the assumption that a fall in interest costs will enable wholesalers to re-stock to normal levels.

Most UK component groups have long recognised the decline of the domestic equipment market and have been buying overseas capacity. AP claims that almost 46 per cent of its production is exported or re-exported. Fiat, for example, is its third largest customer after BL and Ford and the group is also acknowledged to hold a useful slice of the French market.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980 High	1980 Low	
FT Ind. Ord. Index	483.8	+ 2.7	503.1	406.9	Steady in quiet trade
FT Gold Mines Index	372.5	− 6.7	383.8	265.5	U.S. selling
Associated Engineering	55	− 6	79	52½	Assets sale to Armstrong Eqtip.
Associated Fisheries	78	+ 7	78	50	Speculative buying
Berjuntai Tin	245	+ 30	260	149½	Merger hopes
CRA	294	+ 26	356	230	Demand for Ashton issues
GKN	231	− 11	279	228	Motor ind. troubles
Guthrie	850	+100	912	628	Bid hopes
Horizon Travel	285	+ 40	290	200	Good results
House of Fraser	147	+ 7	152	104	Speculative support
London Brick	71	− 5	83	55½	Interim statement next week
Man. Agency & Music	145	+ 15	150	107	Renewed speculative support
Nottingham Mnfg.	87	− 9	104	71	Disappointing interim results
Peerless	82½	− 8½	110	82½	Short time working introduced
Pegler-Hattersley	136	+ 20	146	100	Sale of jointly-owned subsidiary
Philips' Lamps	395	− 30	500	370	Sharply lower second-qtr. profits
Plessey	24t	+ 20	241	108	Vague takeover talk
Strata Oil	132	+ 12	164	72	Encouraging drilling report
Unilever	495	+ 25	512	388	2nd-qtr. figures heat forecasts
U.D.T.	47	− 16	69	35	Deal with TSB/poor annual figures

Bulls and balloons

THE BOTTOM never fell off the cage to release all the balloons to mark the end of the Democratic Convention in New York this week spoiling some of Mr. Jimmy Carter's fun. Nor did it fall in Wall Street where it did anything but spoil the market's bullish mood.

The stock markets' remarkable four-month-old rally showed no signs of losing steam in spite of hesitation in the middle of the week when the Dow Jones industrial average lost nearly 15 points for the first time in 200 days.

Brokers immediately speculated that the long awaited correction had at last taken place, but the market shrugged these suggestions off to pick up again on Thursday, 13.40 points, or the biggest daily increase since the 14.42 rise on July 14.

The market's earlier hesitation also had something to do with what was happening in Madison Square Garden where the Carter-Kennedy contest was taking place for the Democratic Party Presidential nomination.

As things turned out, the market apparently ignored the whole thing, displaying polite contempt for the colourful proceedings, and went about its business in its own way. Indeed, the market appeared to be saying it could not care in the slightest as it seemingly has done all through the build-up for the Presidential elections.

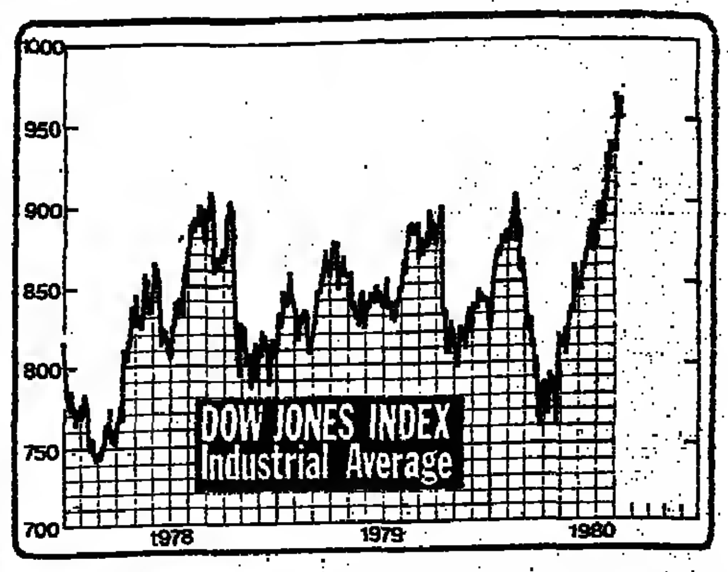
In any event, the stock market seems to have a far greater penchant for Mr. Ronald Reagan, the Republican Party candidate, who has proposed a substantial tax-cutting programme and additional defence spending. It also sees Mr. Carter, who won this week his party's nomination in spite of being all but outshadowed by Senator Kennedy, as the lesser of the two evils in the Democratic Party.

In contrast, the bond market views a possible Reagan victory in the autumn with some apprehension and all this may go some way to explaining why stocks have rallied while bonds have suffered.

The stock market's bullish mood suggests that Wall Street and business have different concepts of the effective and short-term future state of the U.S. economy than the economic pundits in Washington.

In spite of the unexpectedly high rise in the wholesale price index, which increased by 1.7 per cent in July representing a 20.4 per cent annual rate, investor enthusiasm never dampened, nor did it drop in motor industry stocks although the U.S. car business slump is showing no signs of abating.

Instead, the big institutional investors, who earlier in the week clearly took some profits, continued to throw their weight around the market.



The underlying message Wall Street is seemingly trying to convey is that in the midst of all the uncertainty over the future pattern of inflation and of the actual strength of the recovery, stocks are generally still undervalued and a good buy.

There has been increasing interest in industrials including stocks in depressed sectors such as the car business and the steel industry and after a slight dip,

NEW YORK

PAUL BETTS

the oils have again become popular in spite of reports of a glut in the U.S. oil market and lowering prices.

With big hoard volume up in the high 48m mark all week, the spotlight was focused in the later part of the week on takeover and merger candidates.

Among these, IC Industries of Chicago fared well on reports that the consumer products and railway group was having preliminary talks of a merger of some interests with Ashland Oil.

Interest also turned on Mesa Petroleum and Texaco after the two companies announced a limited partnership to explore for oil and gas on 1.9m acres of undeveloped Mesa leases.

All this came as reports from the American Petroleum Association pointed to an improvement in U.S. oil production in more than three years indicating that last year's de-control of crude oil prices was halting the steady decline of American oil production and although analysts are sceptical that the slide can be reversed permanently, the slow down would help contain imports.

In the conflicting signals coming from official statistics on the state of the economy, the market also got a cheer on Friday by the Federal Reserve's report that industrial production declined by 1.6 per cent in July representing an improvement from the 2.3 per cent fall in June and the 2.6 per cent drop in May.

This partly offset the disappointing wholesale prices reported on the same day by the Labour Department and a report earlier in the week that inventories had effectively increased by 0.3 per cent last month when a decline was expected.

But the market is nonetheless showing a healthy inclination not to read too much in statistics at this stage.

The question tickling Wall Street is how long the rally will last and whether it will see the Dow hit the magic 1000 mark at some stage. It has also led to a flurry of traditional Wall Street folklore suggesting that when the Yankees baseball team is on a winning spree the market picks up.

Well, the Yankees have been winning, then they lost a few games so the market dropped on Tuesday and Wednesday and then they started winning again so the market lifted again on Thursday.

To compound it all, Merrill Lynch, the New York investment firm, confirmed that it was contemplating buying and syndicating the Chicago White Sox baseball team.

MONDAY	964.08	+9.39
WEDNESDAY	949.23	−3.16
TUESDAY	952.39	−11.69
THURSDAY	962.63	+13.40

A range of peaks on foreign shores

THIS HAS been the week of the share. Stock markets around the world have been striking new peaks for the year and business has been unusually heavy for the generally sleepy mid-August period.

The week began briskly with North American, Australian and South African indices reaching 1980 highs on Monday. Two days later Japan followed suit, accompanied by such relative minnows as Spain, Singapore and Italy. Rarely to be outdone in matters of price volatility, Hong Kong bounced up to its highest level in seven years on Thursday.

In many cases, the markets were recovering the ground lost in February and March when hopes of an early turn in interest rates were confounded and the prospects of a long and deep recession were strengthened. When the turn in interest rates did come, in early April, the stock markets turned with them and few have looked back since.

Investors in all the major markets are still keeping a very heady eye on interest rate movements but the sometimes sharp rises this week were prompted more by signs that the recession, particularly in the UK and the U.S., may reach a trough early next year.

In the U.S., for example, the interest rate picture remained very cloudy with Chase Manhattan joining other major U.S. banks by raising its prime rate to 11 per cent. Treasury bill rates, by contrast, were easier.

So it was principally the recent economic indicators which pushed the major New York indices to their high points of the year. Retail sales showed a solid 2 per cent growth in July, the trade deficit narrowed and the index of Economic Indicators looked more encouraging.

As a result, investors in several markets have been returning to blue chip manufacturing stocks which had been heavily marked down as economic growth slackened. The Tokyo market, for example, seems to have been curiously flat given that Japan is the only major economy showing significant growth.

PERCENTAGE CHANGE IN WORLD STOCK MARKET INDICES
UP TO AUGUST 13

	Over 12 months	Over 6 months	Over 1 month
U.S. S & P Composite	14.66	5.62	2.72
Canada TSE Composite	4t.5	9.6t	5.42
UK FT All-Share	t1.53	4.79	−0.34
France CAC Generale	9.54	−5.3	t.21
Germany FAZ	−0.69	−0.22	2.76
Hong Kong Hang Seng	87.58	20.97	5.27
Japan Tokyo New	5.t8	0.4	1.29
Australia Sydney All Ord.	54.3	0.56	5.12
South Africa Industrial	8t.08	t6.22	8.3
FT Gold Mines	tt7.43	−t.t4	3.0t
Capital International World	t3.03	3.9t	1.54

Yet the performance of the index is distorted by sharp falls in several energy stocks, such as Nippon Oil. Manufacturing companies are still overshadowed by the threat of protectionism but have nonetheless been enjoying a good run.

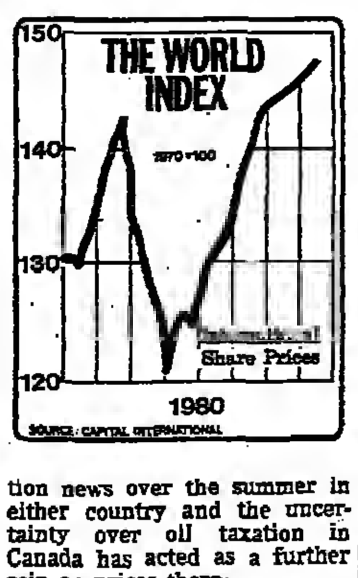
Similarly, the West German market looks something of a dullard compared with resource-based economies such as Canada or Australia. Yet in the last few months it has been rising steadily, even though the Bundesbank has scotched hopes of an early fall in interest rates. Only the most optimistic are now expecting a cut in the discount rate later this month.

There is a strong feeling that the economy is gathering momentum—an idea tempered by the knowledge that this could rapidly create capacity bottlenecks and force the reimposition of deflationary policies.

By almost any yardstick, Hong Kong has been the star performer of the year so far. Corporate earnings continue to grow at around 20 per cent a year, trade is holding up well and the current spate of good banking figures shows the economy to be in burgeoning health.

Takeover rumours and a revived property sector continue to lend support but in Hong Kong, as elsewhere, it is blue chips which are making the running.

Even in Canada and Australia, where energy stocks have led the bull markets of the last two years, it is now non-resource companies which are dragging the market higher. There has been little encouraging exploration news over the summer in either country and the uncertainty over oil taxation in Canada has acted as a further rein on prices there.



Foreign interest has supported the resource shares, but the metal companies, banks and industrials are now outperforming the market. A similar pattern is developing in Australia, where foreign buyers are shifting their attention to non-energy companies.

This week's developments overseas make the performance of the London Stock Exchange look prosaic. The FT Actuaries All-Share Index is the only one in the accompanying chart to show a fall over the last month.

It may, however, be some consolation to the British investor that UK institutions have apparently been heavy buyers in several of the flourishing foreign markets over the recent bull period.

John Makinson

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Reassuring signs for investors

MINING

GEORGE MILLING-STANLEY

THE MARKET in South African gold shares has been a place only for those with very steady nerves this week. Prices have been remarkably volatile, especially among the higher-priced issues, and jobbers report that dealings have been much more active than of late, with the prices quoted reflecting real dealings in the shares rather than marking up or down by the market-makers.

Gold share prices nosedived on Monday and Tuesday, with selling pressure particularly strong in the overnight American markets. The most likely reason for this is the fact that several North American brokers came out with recommendations to sell gold shares. U.S. investors reacted promptly to their urgings, and the London investing community followed suit.

Another factor contributing to the wave of selling early in the week was, as usual, the bullion price. This lost a full $16 on Monday to close at $617.50 per troy ounce, and the UK, U.S. and the Continent were all big sellers of gold shares.

The Gold Mines index recorded its biggest one-day decline since the beginning of June with a fall of 16.9 points to 362.3, and the fall would have been even steeper but for persistent support for the shares from South Africa.

Tuesday was almost as bad—bullion lost a further $7 to $610.50, and gold share prices, marked down at the outset in London on heavy overnight selling in American markets, encountered renewed selling pressure and closed at their lowest levels of the day. The index lost a further 14.3 points to 348.0, for a two-day decline of 31.2 points, putting it at the lowest level since the end of June.

A disturbing couple of days for holders of South African gold shares—although those who took this column's advice in the middle of June to take profits on perhaps half of their gold shares will not have felt quite so exposed as everyone else.

But the fundamentals had not changed. The bullion price has flirted with the $600 level on the downside more than once since its break through this level late in June, and has found support every time. It is impossible to tell whether this support will be maintained in the future, but certainly it was the case on this occasion.

Beyond that, the yields on gold shares really do compare very favourably with anything else around, and prices can usually be relied upon to follow bullion. With no signs of any lessening in international tension, there must be plenty of strength left in the bullion price, and this can be expected to help gold shares as well.

These must have been the sort of thoughts running through investors' minds between the close on Tuesday and Wednesday's opening, and it seems to have been generally appreciated that the selling had been overdone.

Wednesday saw a minor rally as bullion put on $4 to $614.50, and with overnight American demand recovering, London was stronger throughout the day and gold shares recorded widespread gains to lift the index 6.2 points to 354.2.

Thursday was even better, with bullion recovering a further $12 to $626.50 and the index putting on 10 points to 364.2. The renewed steadiness of the Financial Rand as the week progressed was another factor contributing to the revival.

And what of the future? A peep into brokers Rowe and Pitman's crystal ball, otherwise known as the Mining Quarterly, suggests that the fundamental outlook for the gold price is quite encouraging.

They estimate that the supply of gold this year will fall by around 30 per cent, and go on to say: "The bullish case rests on the above reduction in supply, fears of disruption in South Africa following the Sasol bombs, the weak U.S. dollar, the usual political uncertainties and high inflation rates."

Rowe and Pitman caution that they see more uncertainties than usual in the bullion market, "not least the run-up to the U.S. presidential election," and they expect a volatile near-term price, "though not with serious weakness."

As far as the mines' profits are concerned, Rowe and Pitman believe that prospects for the third quarter are quite good. This optimism is largely based on the fact that the gold price so far in the period has averaged over $640, which is higher than the first quarter's record of about $632 and well above the $546 of the second quarter.

Turning to the shares themselves, Rowe and Pitman point out that prices have recovered since the period of poor performance relative to gold in June, "as investors have regained their composure after the troubles and because the abrupt fall in interest rates in the U.S. has made their high yields seem even more attractive." They recommend holding the shares "for insurance and above average yield."

The brokers back up their recommendation with a table of estimated distributable profits for the year to June, 1981, on the basis of average gold prices over the full year of $500, $600, $700 and $800. Even taking the probably conservative $600 figure, the prospective yields are distinctly attractive.

Of the 38 mines included in the table, no less than 22 stand on a prospective yield of over 20 per cent, with a further 13 between 10 and 20 per cent. This leaves just three mines with a prospective yield below 10 per cent.

So there is reassurance for investors in South African gold shares if it is needed. The consensus of opinion seems to be that both markets, gold shares and bullion, will remain volatile for some time, but there are plenty of encouraging signs even in the face of continued unrest in the country.

Further evidence of confidence in gold mining in South Africa was provided this week by the Barlow Rand group's East Rand Proprietary Mines. This marginal property, one of the oldest gold mines in South Africa's Witwatersrand, faced closure as recently as the mid-1970s as a result of cost pressures, which were exacerbated by the mine's age and depth—in places it operates at more than two miles below the ground.

State assistance tided ERPM over the lean period, and continued until just two years ago. This week, it announced details of a R300m (£168m) expansion plan over the next five years, which will keep it in production over the next 25 years.

This plan is just part of a R430m programme over the next 20 years which will lift ERPM's annual gold production to some 20 tonnes from the current 12 tonnes. As part of the first stage of the programme, new shafts will be sunk, existing shafts deepened and other improvements made. The shafts will be mining ore grades of some 5 grammes of gold per tonne.

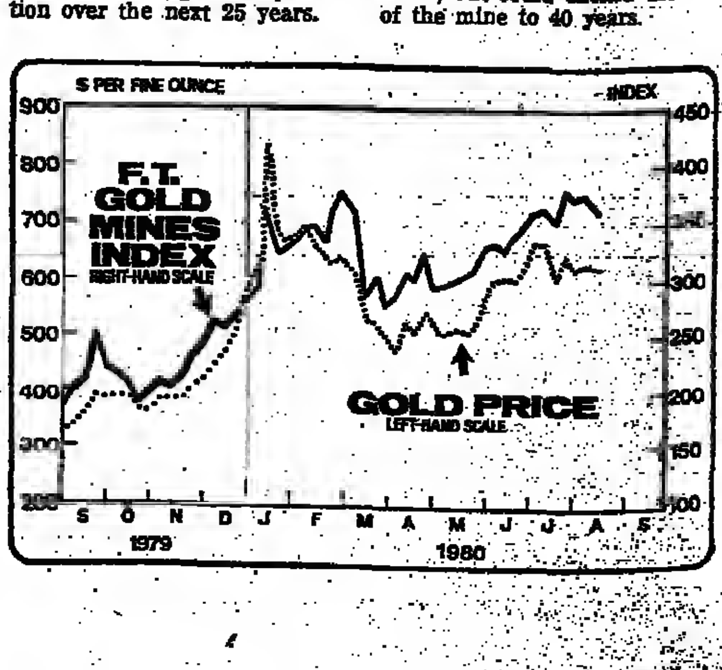
Rand Mines, advisers to ERPM, prepared a feasibility study which indicated that the expansion could be funded internally provided that the bullion price maintained a real value of around $600 per ounce.

To protect the mine from gold falling as low as $500 per ounce, which could cause cash difficulties during the first five years of the programme when financing will constitute a particularly heavy drain on available resources, ERPM is raising R47.52m by a 40-for-100 rights issue and a further R15.84m from the sale of options.

As a sweetener to the rights issue, ERPM's directors indicated that if the gold price remains above the $800 level they will be able to maintain annual dividend payments of at least 360 cents a share during the development phase.

ERPM's expansion programme over the next five years will create jobs for about 6,000 people, mostly blacks. The mine's milling capacity will be raised to 3.9m tonnes of ore per year from the present 2.4m tonnes. At current production rates, this would make ERPM the fourth largest gold mine in South Africa.

In the longer term, ERPM is to apply for mining rights over some 6,000 hectares on the mine's southern border. This would probably mean mining at a depth of almost three miles, but could extend the life of the mine to 40 years.



FINANCE AND THE FAMILY

Tax relief on interest

BY OUR LEGAL STAFF

I moved into a house just before completion date and agreed to pay the vendor interest at 15 per cent on £15,000, the sum I was raising on mortgage. However, nwing to a difficulty which has arisen about the title, the completion date has been postponed until it is resolved, and the mortgagor will not advance the money meantime. What am I to do? Can I claim tax relief on the interest due to the vendor?

The Inland Revenue have produced a belpfnl free booklet (IR11) entitled "Tax Treetment of Interest Paid," which is obtainable from most tax inspectors' offices. You will find the solution to your puzzle in paragrapb 20 of the booklet: 20. Where part of the purchase money remalns nnpaid and the purchaser pays interest to the vendor, or, interest becomes payable before the contractual date for completion because the purchaser has been allowed to occupy the property, tbe interest is treated as interest on a loan."

Restructuring a mortgage

Twn years ago I bought a house prior to marriage and negotiated a mortgage as to which, the building society concerned reqnired my fiancée as guarantor. My fiancée and I did not marry and I have now married somebody else, we are living in the original house. I informed the building society, who after some correspondence eventually made me an offer based on a completely new structure which would result in my paying considerably more interest. Can they insist on this?

Unless the mortgage itself contains express provision enabling them to do so, we think that the building society cannot insist on changing the structure of your exlsting mortgage arrangements. You might point this out to them and offer to change the structure on a new mortgage which is limited to tbe same interest rates as your present mortgage requires you to pay, but if they will not agree you should insist on maintaining the present mortgage. They could insist on your cx-fiancée remaining as guarantor.

Maintenance of the infirm

Does tbe Inland Revenne treat gifts to mentally handicapped persons, (family) proportionally as regards capital transfer tax, or for trusts set up by parents in favonr of their mentally handicapped children? Is the income of anch trusts treated differently?

There is no specific exemption for gifts for the maintenance of the mentally handicapped, apart from the general exemptiona for family maintenance. This allows exemption for reasonable gifts for a dependant relative, that is, a relative unable to maintain himself because of infirmity. Income tax would not be affected.

Resident abroad and VAT

I understand that as a resident abroad I am exempt from payment of VAT. By UK stockbrokers do not charge it on their commission but the agents whn collect some rents for me do charge it on theirs. Is it not incorrect of the agents to do so? And what is the position about VAT on soilictors' charges?

As a general statement it is not correct that a non resident of be UK is exempt from VAT.

It is true that many services to such persons are zero rated. These include the services of stockbrokers. The services of solicitors are also not liable to value added tax when given to a non resident providing the servicea are not in connection with land situated in the UK. Estate agents who render services in connection with United Kingdom property have to account for VAT on their charges. The rule about zero rating for the services mentioned above applies to a persoo who resides outside the UK other than in the EEC. If the person resides in a country who is a member of the EEC, the services will only be zero raed for VAT purposes if they are applied to him in his business capacity and not in bis private capacity.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Correct figure for insurance

Your correspondent, whose inquiry was published under the heading "Correct figure for insurance" (April 5), appears to consider that the figure should be based on "the sum it would cost to rebuild it, if it became a total loss." However, I understand that if rebuilding does not take place the Insurance company will not pay out more than the difference between tbe previous market value of the house and the current market value of the site (allowing for alte clearance works). This figure will always be very much below the hypothetical "rebuilding cost" and it therefore seems wrong to be paying the Insurance company year after year a premium based on a much higher figure than they are prepared to pay ont if a claim ariases in the circumstances I have described. I realise that, for obvious reasons, my insurance company and building society will press me to pay et the higher level, bnt do you agree I would be right to resist such pressure?

What you say about insurance companies' practice is correct. This is because the contract of insurance is one of indemnity, i.e. the company will pay the insured's actual loss up to the value insured. It is however most unwise not to insure at the full rebuilding cost because many fire losses are partial only, in which event the part of the building which has been damaged will be rebuilt, but the insurers will only be liable for a proportionate part of the sum insured. Hence if the sum insured proves to be 60 per cent of the rebuilding cost the assured will only be paid 60 per cent of the cost of reinstating the damaged part of the property.

Gifts to grandchildren and CTT

I am 83 and am offloading what I can to grandchildren, to Chris, 14 years old, U.S. born and bred, domiciled and resident, I pnt £12,000 in single premlum Life Assnrance Bonds which be gets wben 25. My wife and I are trustees. Income of conrse accumulates. Capital transfer tax bas heen charged to me as if he lived here, where the trustees live. Is that OK? Many free allowable bits go to Melinda, just 21. She was born in the U.S. and bas a U.S. passport but has lived bere since a baby. She stays here bnt her parents are soon to emigrate. I am giving her pictnres and silver and don't know whether to sell before I give them to her or give them to her to sell, so that she can buy a house soon. Have yon any ideas on capital transfer tax and capital gains tax?

We had indeed deduced from your previous inquiries that you are, as you say, "fairly well informed on the elementals of taxes." However, we wonder whether you are relying a little too much an selfhelp; spending money on, admittedly expensive, professional advice can make economic sense where substantial sums are concerned. For example, we doubt whether a single-premioum bond held in trust was the most tax-efficient way to pass £12,000 to a young man in the U.S. When the bond matures, the gain will be taxed as though the bood belonged to you (because it is caught by section 399 (1) (a) of the Income and Corporation Taxes Act, 1970). Provided you make the gifts wbilst Melinda is still resident in the UK (for tax purposes), it is probably better to give her the objects—leaving her to sell them as and when she needs cash—rather than to sell the objects yourself and giver her the net proceeds. She can relieve you of the CGT liability (but not the CTT) by electing to take over your original cost of eacb object, hroadly speaking, under section 79 of the Finance Act 1980. The consequences of such an election are complex, so we recommend that you both seek professional advice. If you want to go it alone, you should at least buy a copy of the latest Finance Act (when it ia publisbed); the price will be around £5.50 by post from HMSO, PO Box 569, SE1 9NH.

The real cost of covering a home

INSURANCE

JOHN PHILIP

WHILE we are all conscious of the pace of inflation, it is more than salutary to stand back and see just how fast particular prices have moved in the past two years. My guess is that, witbout the figures available, we all sadly under-estimate.

Take for example the cost of building houses—or rather the cost of repairing and rebuilding the cost we are all more concerned with in the insurance context, since it is the cost of total rebuilding after complete destruction for which we should insure.

Since July, 1978, has the cost of rebuilding risen by 24.6 per cent, 34.6 per cent or 44.6 per cent? Pause and pot down your own figure before you read on.

You may well be as surprised as I was a couple of weeks ago to learn that 44.6 per cent is the figure calculated by the Building Cost Information Service of the Royal Institution of Chartered Surveyors.

Moreover that 44.6 per cent is across the country—if you live in London and the South East the percentage may well be higher. In parts of the nortb, and in more rural areas, the percentage may be a little less.

Percentages, even of this order, are not meaningful unless applied to actual amounts. So let us take three post-war-built houses—a small suburban terraced bouse which would have cost £25,000 to rebuild two years ago, a medium-sized detached house, then £40,000, and a larger, but not over-pretentious house, then £60,000.

By the end of Juna, 1980, the rebuilding costs of these three properties had risen—in round figures—to £36,250, £58,000 and £87,000 respectively.

Now let us look at the cost of insuring these properties under one of the many housebold packages, which, till recently, cost £1.25 per £1,000 worth of cover.

In 1978 preminm for our three properties would bave been £31.25, £50 and £75 respectively. Provided tbe same rate of £1.25 ia still applicable, current cost of insuring these bomes will be £45.30, £72.50 and £108.75.

But this year most insurers are raising the standard rate from £1.25 to £1.50 per £1,000—and when applied this increase adds anotber 20 per cent to renewal premiums—so that current premiums on our three housea may be as much as £54.35, £87 and £130.50.

The great majority of us now bave index-linked sums assnred, and those wbo have so far escaped the insurers' net are now rapidly being bauled in. So as our renewal nntices come in insurers will be requiring premiums that may be as much as 72 per cent more than we paid just two years ago.

The Building Cost Information Service experts are cautiously optimistic about the conrse of inflation and its effects on building costs in the comlng 12 months. They reckon that building costs will rise by around 15 per cent, compared with 22.6 per cent in the same 12 montbs 1979-80. Remember, however, that this percentage is compouod—it does not apply to the 1978 figures but to those obtaining last month.

And 15 per cent will take rebuilding costs of our three bouses—in round figures—on to £41,700, £66,700 and £100,000. By midsummer next year, preminms of £62.50, £100 and £150 will be needed and by then the cost of home buildings insurance will have almost doubled in three years.

Inevitably the qnestion must be asked by more and more policyholders—"can I afford index-linked cover and premiums?" Undonbtedly some, those living on fixed or near fixed incomes, must be answering "No." As for the rest of us, our earnings bave increased, if not absolutely in line with the buildings index.

After years of losses on the underwriting of homes, insurāra ere still not making discernible profit—in practice claims costs are as index-linked as are premiums. We are not, nor shall we be, paying more than is justified for our home buildings insurances.

Moraover, it is not really sensible to start arguing for some different premium yardstick than rebuilding cost. Any fundamental change in rating methods would be costly for insurers to implement and we, the consumers, would have to pay.

No fundamental cbange in rating methods yet devised would do more than marginally alter individual premiums for any of us and most likely most of our premiums would remain unchanged.

No fundamental change would stop insurers requiring a percentage more each year to meet claims outgo. The answer to the question "Can I afford . . . ?" is "I have to, so long as inflation continnes."

Another battle with old Kruger

TAXATION

DAVID WAINMAN

WHEN OLD Kruger managed to rile the British in South Africa over 80 years ago, and made a sbowdown inevitable, neither its course nor its final outcome added particular lustre to our imperial glories.

Now once again there is nfficial British exasperation. This time it is the Inland Revenne authorities who are shaping up for battle—and the subject matter is the eponymous Kruger, the gold coin named after the original Boer.

Some parts of the relevant tax legislation are clear, whilst other whole areas are sufficiently uncertain to make arguments and dispnte the sure consequence. The Revenne's fervent protestations to the contrary, the outcome of sucb dispntes may not be as inevitable as they would like us to believe. What follows are the main rules of war and the essential features of the battleground.

The law is quite clear that Kruger profits cannot be exempted from capital gains tax under the "chattel exemption." Tangible movable property sold for less than £2,000 is in general outside the scope of the tax.

Bnt currency of any kind is specifically excluded from the relevant definition of tangible movables. And there is no doubt that Krugerrands are currency.

The more uncertain question, however, is wbether Krugerrands may not be exempted from Capital Gains Tax on the footing that any profits realised are income. Where income tax is exigible, it is that tax which is charged and it automatically removes any profit from the scope of capital gains tax.

The Revenue has consistently maintained that in all normal cases the purchase and sale of Krugerrands must be a trading activity; or if it is an isolated event it is within the alternative phraseology, namely an adventure in the nature of trade.

This view is based in part on tha nature of tbe assets themselves, but partly on assumptions abont the taxpayer's motives in acquiring them.

Whether a transaction is a trading one, or is on the other hand only the realisation of an investment, is a question of fact. If a taxpayer disputes an Inland Revenue assessment in front of the General or Special Commissioners of Taxes, those tribunals will decide the question, and it is highly unlikely that the courts would entertain any appeal.

"The court is not a second npinion," Lord Radcliffe said, "where there is reasonable ground for the first . . . (the courts) duty is no more than to examine those facts with a decent respect for the tribunal appealed from, and if they think that the only reasonable conclusion on the facts found is inconsistent with the determination come to (by the Commissioners), to say so without more ado."

In 1968 the Court of Appeal very decently and respectfully examined the transactions in which Norman Wisdom, the comedian, acquired silver bullion to the value of £200,000 on the advice of bis accountant, who was expecting a devaluation of sterling, and thought silver was the best bedge against such a possibility.

He bad also reacbed the conclusion from a study of prices over the five years preceding the plunge that it was a commodity whose price fluctuated very little. The Commissioners noted that tbe silver bullion was useless and was left in the bullion dealer's vaults, and that it was neither an income producing asset nor a long-term ona, being financed by loans at a high rate.

Tbey conclnded that "by the nature of the subject matter there was an adventure in the nature of trade." Lord Harman agreed with them, saying that it seemed to him tbat "supposing it was a hedge against devaluation, it was nevertheless a transaction entered into on a short-term basis for the purpose of making a profit out of the purchase and sale of a commodity, and if that is not an adventure in the nature of trade, I do not really know what is. The whole object of the transaction was to make a profit."

Tbe Revenue won its case against Mr. Wisdom, and is therefore inclined to rely on it rather more heavily than the 1961 case in whicb they were defeated by a Mr. Freedland.

He bought very cbeaply from a scrap dealer, and sold on to his own chemical companies at an ecooomic price, two stills which had been totally gummed up with a glutinous and inflammable resin.

The transaction was an isolated one, but the courts have always recognised that "a single plunge may be enough provided it is shown to the satisfaction of the Court that the plunge is made in the waters of trade."

However, in answering the question wbether Mr. Freedland's plunge bad been an adventure into those waters, Lord Harman (for it was he once again) pointed out that Mr. Freedland would be taxable only if it had been his own trade that he was engaged in, rather than those of his companies.

He bad never before or since traded in machinery and it could clearly be inferred from the evidence that he would never bave embarked on this deal except to benefit his companies. He only ever intended to provide the stills to them—certainly not to market them in any general way.

But Lord Harman and Lord Donovan clearly spelt out the significant legal principle. Tbis was an instance, as is so often the ease, wbere some of the facts pointed one way and some the other. The facts of each case are always different, and the facts of one must never be thought of aa a precedent wbich determines any other.

"It cannot be right, tharefore, to assert as the Crown did before us, that whenever something is bought to re-sell at a profit an adventure in the nature of trade necessarily results, and any finding of Commissioners to the contrary must be perverse . . . all the facts in each case must be considered, not merely the motive of ecquisition, and a conclusion arrivad at from sucb a comprebensive review."

But assume that you are arguing that you are not engaged in repeated dealings in Krugers: that following your isolated purcbase yon are bolding them as capital gains assets, a long-term investment rather than abort-term, purchased not solely for resale, but for your own and your grandchildren's enjoyment.

You might find this easier to argue if you had remembered to enter your purchase in the section of your income tax return recording acquisitions of cbargeable assets.

YOUR SAVINGS AND INVESTMENTS

Tim Dickson looks at building society funds

Inside the minds of the mortgage men

HARD-PRESSED building society borrowers must be wondering why they are still paying a record 15 per cent plus for their mortgages. Societies in July had their best month for net new receipts since last October—a combination, it seems, of seasonal factors and the one point fall in Minimum Lending Rate (MLR). With high interest rates, unemployment and the impact of the recession apparently scattering the home loan queues, the equilibrium between demand for and supply of funds now seems to have been restored.

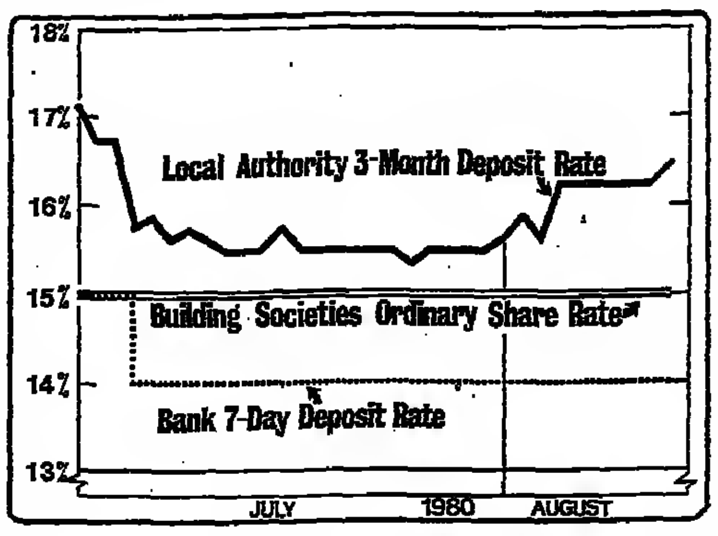
In spite of this easing of pressure on both sides of the building society counter, however, borrowers may well have to accept the present burden for some time to come. Societies have already indicated that they want to see another one point lopped off MLR before taking action—a possibility which now seems depressingly remote following the disastrous banking figures announced last week.

Meanwhile, July's net receipts of £340m, although a considerable improvement on earlier months this year, had been expected to be good for seasonal reasons, even before the reduction in MLR improved the societies' competitive edge. Holidaymakers, for example, mostly dip into their accounts to pay for overseas trips earlier in the summer and, more importantly, many of those who received their half-yearly interest payment at the end of June simply put it straight back into their accounts.

The accompanying chart illustrates one reason why building societies are particularly reluctant at this stage to lower mortgages. It shows the movement over the last three months in the three month local authority deposit rate, a key money market indicator for the societies. Research by the Building Societies Association reveals that a one point increase in the gap between the ordinary share rate and the local authority rate can knock £60m a month off their net receipts. With money market rates edging up again in the wake of money supply worries, building society fears that a reduction in their deposit rates would lead to significant outflows of money may be justified.

The hard core of building society savers are admittedly small depositors, with balances of hundreds rather than thousands of pounds not influenced by small changes in relative interest rates. But large scale investors, who shift their money from home to home at the slightest touch of the interest rate tiller, can still do considerable damage to the health of building society receipts. Smaller provincial societies, who often rely on the support of local professional people, tend to be hardest hit.

Political factors may also be playing some part in societies' determination not to rush down the interest rate hill. Forced by their political masters last year to keep their rates lower than they would have liked, they are now determined to build up to consolidate their competitive position while the going is good. Liquidity is now around 17 per cent—a level considered close to the absolute minimum.



* Building society rate grossed up

When surrendering can make good sense

A traditional life assurance contract offers investors a tax efficient investment providing steady returns with a high level of guarantee. However, to gain maximum efficiency the contracts are written for investment periods of at least 10 years.

And if the investor wishes to realise his contract before the end of the investment period, then he has to accept what surrender value his life company is prepared to pay him, on a non-guaranteed basis. The actuarial profession, at least until now, has strongly opposed widespread guaranteed surrender values.

But investors' horizons have become progressively nearer with the passage of time and 10 years now seems light years away. Many investors need to be able to cash-in before the 10 years is up on guaranteed terms while still retaining the tax advantages. This is especially so in school fee planning where all too often fees are due before 10 years. Now two Scottish life companies have tackled the problem. A few weeks ago Scottish Amicable launched its Flexisave plan, and last week Scottish Provident followed with its Five to Ten plan.

Scottish Amicable's scheme is basically a 10 year with profits endowment. But the guaranteed death benefit is restricted to the legal minimum necessary to secure tax qualifications—75 per cent of the total gross premiums paid over the 10 year period for investors under age 55. This enables a higher guaranteed maturity benefit to which bonuses are added.

The scheme then guarantees cash-in values on each monthly anniversary from 7½ years. To this guaranteed sum is added bonuses on Scottish Amicable's Flexidowment rate. This is a two tiered system separate from the main bonus system. The present interim rate is £4.25 per cent per annum on the guaranteed benefit and £6.50 per cent on attaching bonuses. Table 1 shows the guaranteed values and expected payments under this plan and compares it with the non-guaranteed surrender values and the maturity value for an ordinary 10 year with-profit contract.

Scottish Provident's plan also uses a ten year policy with the minimum guaranteed death benefit. But the company is prepared to guarantee cash-in values, plus bonuses from the fifth year onwards. Table 2 shows what the investor can expect on current bonus rates and compares it with an ordinary ten year contract. Scottish Provident has one universal bonus rate for all its with-profit contracts — the current interim rate is £4.75 per cent of sum assured and attaching bonuses.

Leading school fee planners, School Fees Insurance Agency based in Maidenhead, has given a warm welcome to both these plans as enabling them to be even more flexible in their planning. It considers that both plans will be useful for cash-in from 7½ years onward.

Now that these two companies have started the ball rolling, no doubt others will follow very quickly. The danger is that such concessions to the principle of non-guarantee of surrender values could lead to actuaries making guarantees that could affect investment performance. Established life companies, with their strong reserves can guarantee surrender values after five years for a ten year policy without affecting investment performance. It would be a different tale if they guaranteed surrender values after ten years on a 25-year policy.

Finally if the investment period is ten years, then these policies give a poorer return than a standard ten-year contract, as the tables show.

TABLE 1

Expected returns for a man aged 34 investing £100 per month in a 10 year with-profit contract.

Cash-in period years	Normal contract £	Flexisave £
7½	11,410	11,446
8	12,761	12,792
8½	14,012	14,186
9	15,263	15,627
9½	16,514	17,183
10	19,755(a)	18,796

(a) including terminal bonus.

TABLE 2

Expected returns for a man aged 44 paying an annual premium of £500 on a 10 year with-profits contract.

Cash-In Period Years	Normal contract £	Five to Ten Savings Plan £
5	2,645	2,827
6	3,364	3,542
7	4,155	4,333
8	5,011	5,181
9	5,934	6,087
10	7,313	7,091

Alan Friedman reports on the latest salvo in the savings war

Lloyds joins the fray

THIS WEEK Lloyds Bank became the last of the four major clearing banks to unveil its all-new, post-Corset savings schemes.

Cunningly, the policy planners in Lombard Street have seen to it that while theirs is the last new programme to be announced, it is the very first to get underway. *Potential* savers can begin using the new services at any Lloyds branch as from this Monday—the other three banks all plan to start their schemes in September.

But the Lloyds savings accounts, although spurred by the same general desire to lure funds away from building societies and by the hotting up of the UK retail banking sector, seem less broadly pitched than the Barclays, NatWest and Midland plans.

There are two main components of the Lloyds entry into the battle for personal savings and neither offers much encouragement to the truly small individual saver.

The new Option Deposit account is a scheme which stipulates a minimum investment of £2,500 to be tucked away for between two and seven years. On the basis of the present base rate the account will pay interest of between 15 and 16 per cent. The other side of the Option Deposit is that savers are eligible to get a loan, for up to 90 per cent of the amount of their deposit, in order to meet an unforeseen need for cash. Savers also qualify for special consideration under the Lloyds Bank home loan scheme.

Interest, which will be calculated in relation to the base rate and term will be paid gross on a half-yearly basis. Depositors will be able to extend the term of a deposit up to a maximum of seven years.

Mr. Fred Crawley, chief deputy general manager at Lloyds, said that the loan aspect of the new Option account loosely parallels the American "Passbook savings loans" available on certain deposit accounts. He said that a borrower could well pay a higher rate of interest than be was receiving on the account, but that this was the price of the convenience of the service.

"I don't think these things are always decided on the basis of the interest rate," he commented. "People want to make sure their *savings* are not disturbed and they pay for that service," he said.

The second new offer from Lloyds is the Fixed Rate Deposit Scheme, which is to be an extension of an existing operation. This is simply a fixed rate of interest paid on sums deposited for a fixed term, at rates linked to money market rates. But the minimum deposit here is £5,000 for different periods from one to 18 months.

The one month rate quoted yesterday by Lloyds for a £5,000 deposit is only 12¾ per cent, 1¼ per cent below the current seven day deposit rate. This suggests that the bank wishes to encourage longer and larger savings. For amounts above £100,000 Lloyds promises to quote "competitive rates for all periods, including overnight."

Lloyds, unlike some of its competitors, has not chosen to introduce small savings schemes such as Barclays' "bonus savings account" for people who can save £10 or more each month for a minimum of 12 months, thus obtaining an extra one per cent interest above the banks' base rate.

But the Lloyds Bank debut will occur within 48 hours, so it has beaten its rivals to the starting line. It will be interesting to see how many new savers turn up.

Slowing down on the merry-go-rand

CURRENCY

MATTHEW SYMONDS

THE FINANCIAL rand—that curious mechanism used as an investment discount currency by non-residents to buy South African shares and by residents moving funds outside the country—is looking rather sickly these days.

At the beginning of the year the financial rand acquired a new and glamorous image. On the back of booming overseas demand for South African gold shares and a change in rules during 1979 to encourage direct investment, the financial rand shot up to 111.5 cents (U.S.), reflecting a discount of only 8.6 per cent on the rate for the commercial rand.

Yesterday it was standing at a mere 81½ cents and the discount against the commercial rand had spread to a yawning 38¾ per cent.

Some falling off resulting from easier gold prices after January was inevitable but it has gone much further than that. Since June 2—the day SWAPO guerrillas sabotaged two Sasol synthetic fuel plants and an oil refinery—the financial rand has tumbled by nearly 15 per cent.

The crucial question for South Africa's potential and existing overseas investors is whether the financial rand is an accurate barometer of informed outside opinion about whether to put money into the Republic and if it is, whether such a bearish perception is likely to persist.

The answers are not straightforward. But it would be naive to regard the financial rand's present weakness as an indication that foreign capital had suddenly come to the conclusion that bloody revolution is just round the corner.

The financial rand is a bit like the old investment dollar premium. The rate is a reflection of share prices in Johannesburg relative to overseas markets, especially those in London and New York where most foreign investment in South Africa originates.

The financial rand is a rather thin and narrow market and one in which brokers *honestly* admit they have little idea about what is going on. For all that, two reasons for the financial rand's weakness do emerge.

In February last year the South African authorities accepted proposals by the De Kock Commission to liberalise exchange rate policies which included allowing the financial rand to be used for the first time as a medium for direct investment.

The attractions for foreign companies who could put money into plant at the financial rand rate and then remit profits at the commercial rand rate were substantial.

In the first flush of enthusiasm money poured in. Applications totalling over R600m were approved and among them were companies like Volkswagen and BMW who were keen to establish car assembly facilities in South Africa.

But in recent months the amount of foreign money coming into South Africa has fallen away. The explanation given by the South African authorities is that this is because the first hectic phase of investment has now been completed and there will now be a lull before it picks up for a second phase.

However, overseas companies have also been disturbed by South Africa's growing labour militancy and recent wave of strikes. As one London-based analyst said: "I would not say that companies have decided not to invest but for the moment they want to wait and see."

The other influence on the financial rand has been a sudden spate of gold share sales in New York where about 25 per cent of all South African mining shares are held. Two influential analysts, James Sinclair and Kees Schager suddenly went bearish on the view that gold had had a good run and that the next cycle was at least a couple of years off.

Unless the political situation suddenly deteriorates it seems unlikely that the financial rand will fall much lower. With South African industrial shares booming and gold shares showing a prospective yield of 20-25 per cent there is still enough to attract investors who allow for some risk premium.

More than just a simple buying spree . . .

INVESTMENT TRUSTS

TIM DICKSON

A NUMBER of private investors are behind an intriguing development at the £8m British Industries and General Investment Trust. It was announced this week that on their firm's advice clients of stockbrokers Hoare Govett have between them bought 1.2m BIGIT shares, representing a collective stake of almost 29 per cent of the company's capital. The move, it was emphasised, is definitely not the prelude to a full takeover and since Hoare Govett does not exercise discretion over these particular clients' equity portfolios, the rule which obliges investors who buy more than 30 per cent of a company to make a full scale bid do not apply anyway.

There is, however, more to this buying spree than just a block "Buy" recommendation by a stockbroker to its customers. Most conspicuously Hoare Govett partner Mr. Richard Granville, is to join the BIGIT board, which will give his firm some influence over the aims of the investment company. The question is—how much?

At this stage details of the new working relationship have yet to be worked out and both sides are sensitive about the nature and extent of the co-operation which will take place. Mr. Granville, however, expects to have "day to day contact" with BIGIT's investment managers Drayton Montagu Portfolio Management.

It seems likely, in fact that Hoare Govett has plans for BIGIT's future which could significantly change the character of what is a rather unexciting trust. After all BIGIT's past performance does not inspire confidence and its portfolio, while geographically diverse, contains a number of those somewhat dull and lumpy blue chip investments which critics of *investment trusts* have consistently highlighted.

How far Hoare Govett will push the Drayton team to change this image and what sort of portfolio will emerge, remains to be seen. Given the moderate size of the trust the scope probably exists for some sort of specialisation, such as small companies or special situations.

As for the reasons behind this week's development, Mr. Granville's observations will give some comfort to defenders of the investment trust concept. "We take the view that closed ended funds do make sense for our private clients. In view of the trusts' ability to borrow they should be able to outperform portfolios which are not geared when equities are rising. We are putting our heads on the block a bit but we wouldn't have done it if we didn't think it was going to work." Apart from Mr. Granville's director's fees Hoare Govett will also no doubt get some of BIGIT's business and, perhaps more significantly in the longer term, the prospect of a closer relationship in other spheres with Drayton Montagu.

An A1 Hallmark

LLOYD'S

ERIC SHORT

MEMBERS of Lloyd's, that unique City insurance institution have to put up all their assets to cover *future liabilities*, and a large portion of those assets have to be physically deposited with Lloyd's. But the Committee of Lloyd's is now tightening up on these deposits to ensure even greater security, thereby imposing certain financial planning problems for new members.

From 1981, a new member will have to deposit assets up to 25 per cent of his underwriting capability and one-quarter of the deposit must be in what is termed "failsafe" securities—that is securities that are readily realisable, such as cash, bank and building society deposits, bankers guarantees, short gilts and so on.

But by their nature such assets only produce income, and offer little scope for capital growth. And for members subject to higher rate tax—the great majority—such investments are therefore tax inefficient. Two Scottish life companies—Scottish Provident and Scottish Equitable—have now come up with a solution which meets the Lloyd's requirements of security and liquidity for "failsafe" securities.

A traditional with-profits life contract offers a useful level of guaranteed capital growth, together with tax efficiency on the capital accumulation and tax efficiency on the capital accumulation and tax credit on the premiums.

Under Scottish Provident's Hallmark contract, an investor puts up a lump sum which pays the first annual premium on a flexible endowment contract, with the balance buying a temporary annuity. The annuity payments fund the remaining premiums on the endowment. The endowment has guaranteed cash-in values from the 10th policy anniversary up to the 30th, to which bonuses are added. Premiums cease after 10 years. All sum, paid from the 10th year are free of tax, so the investor has his capital accumulated at the lower tax rates paid by life companies. The Hallmark contract is the with-profits version of a maximum investment (greenhouse) plan.

Above all, Scottish Provident guarantees to Lloyd's that in the event of loss by the member, it will provide capital up to the original amount invested.

For example, suppose a member has an underwriting capability of £400,000. He has to deposit £100,000 with Lloyd's of which £25,000 must be in "failsafe" securities. If be covers this with a Hallmark plan, his £25,000 can be expected to grow to £47,800 at the end of 10 years on Scottish Provident's current interim bonus rates, a net return of 6.7 per cent.

If Lloyd's call on the policy to meet liabilities, then Scottish Provident *guarantees* that the surrender value will be at least £25,000. After 10 years, the member has a variety of options, including withdrawing his surplus capital. This gives a flexibility that other cash assets do not have.

Scottish Equitable, under its scheme with Lloyd's, offers either its 10 year with-profits Chequeplan of its flexible endowment Flexplan in a back-to-back arrangement with a temporary annuity. Under Chequeplan, premiums are paid for 10 years and the maturity value can be left on deposit until required. The company recommends members over 50 to use this policy.

For younger members, it considers the Flexplan to be more suitable.

هكذا من الأصل

BOOKS

Bright star

by GEORGE MALCOLM THOMSON

Raymond Asquith: Life and Letters
by John Jolliffe. Collins, £10.95. 311 pages

The life was short. The letters are brilliant. They sparkle with wit, high spirits and a flair for the unexpected epithet. They are not always kind, not often discreet, sometimes downright snobbish.

They are, remember, the letters of a young man writing to amuse and—why not?—to impress a very special audience, made up, for the most part, of a close chum from Winchester and two beautiful and intelligent girls, Katherine Horner whom he loved and married, and Lady Diana Manners, with whom, I think, he fell in love. If he did not, he must have been an ass.

Here, then, is life as it was lived before World War I in the mansions of the rich and the colleges of the learned: e.g. *All Souls, 1903*:

"I was up until four this morning watching Stepney and Cantuar—both drunk—trying to cheat one another at poker; it was a very even match for tho' Stepney was far more cunning, Cantuar was far less drunk."

A glimpse of the Sidney Webbs:

"He like a pawnbroker in appearance, she a woman of great beauty and charm with a most lustrous eye . . . She never says silly things about the lower classes as most Socialists do. She told me she had everything she desired, work, exercise and love . . . I could not help puzzling myself a little when my eye strayed over him."

In more serious vein is an estimate of Lassalle:—

"The most attractive of the insaner democrats, worthy to take his place in the triumvirate of great Jews, with Dizzy and Heine, a great reformer but, having just that tinge of insincerity which saves great reformers from being great bores."

A visit to Rosebery at Dalmeny: "A regular stucco castle full of Reckitts-blue carpets with silver stars. Rosebery has execrable taste in these matters." Lord Haldane, bathing, excites wonder:—

"To see this vast white shape with the brain of Socrates and the shape of Nero sporting fantastically in the water with a divinely beautiful girl recalled the sunniest days of the Roman decline."

When he meets Katherine Horner and falls deeply in love with her, the letters become more eloquent and vivacious than ever: "Blanche Stanley asked me many questions about you at dinner," he writes. "I said you were good-looking, intelligent and shy. I had the same feeling I have when Lady Sassoon says to me: 'Don't you think Plato an interesting philosopher?'"

Sometimes satire dries up and poetry remains:—

"I am sitting on the green seat at the end of the garden: why don't you come gliding on your little high feet down the path between the box hedges with a red rose in your hair and your eyes like dark dew in the early sunlight?"

The letter soars to even greater heights. "Some day," the lover says in another letter, from All Souls, "I will show you the Great Bear wheeling round the spire of St. Mary's as you can only see it from the quadrangle of this College; it forms a severe and glorious diadem for the brows of those who fell at Agincourt."

Raymond was forging ahead at the Bar, "a lean casuistical business," and in politics, "a wordy wrangle," when the war came and changed everything; he found himself unsuccessfully defending at a court martial Sir Iain Colquhoun of Luss, a captain in the Scots Guards who had allowed his men to fraternise with the Germans at Christmas. Colquhoun was,

"a perfect man of his type, insolent, languid, fearless and of a virile elegance which is most engaging. I give him top marks for deportment, especially in the dock where few look their best."

A few months later it all ended. The Grenadiers were launched in an ill-planned attack and Raymond was killed.

If he had lived, if the German bullet had not found the mark that September day in 1916, what would he have become? Lord Chancellor in the National Government of 1931? Viceroy of India? Chancellor of Oxford? Who can say? Solid, even brilliant success for sure, but where would the legend be? Without Zutphen, Philip Sidney would he remembered as a successful Master of the Ordnance who fascinated the Queen. And hardly the legend he has become. "Shelley's father," says Raymond "would rather that little Bysshe had made 100 at Lords instead of writing Adonais."

But how wrong, how morbid, it would be to prefer a legend to life. It was wrong of the statesmen to send millions of young men to be killed in battles which the generals, poor devils, did not know how to fight. It was wrong of Europe to commit suicide. It was wrong to select with deadly accuracy, the best so that they could be killed first. But it was right, a thousand times right, that the finest—the élite—should want to go.

And, as it happens, Raymond Asquith, brightest star among the golden youth of 1914, has left something more than a legend. Not the sober judgments and acts of statesmanship which, had he lived, he might have achieved, but this sheaf of magnificent letters to prove that the legend is not fool's gold.

John Jolliffe, his grandson, proud, tactful and adroit editor of the letters, concludes by quoting Milton: "Nothing is here for tears," etc. Not so, surely not so! The comfort is too facile.

For Lycidas is dead, dead ere his prime
Young Lycidas and hath not left his peer.

But the letters remain, testimony to a squandered, but not a wasted, life.

Diana Manners in 1914: recipient of letters from Raymond Asquith

Quick, quick, slow

by MICHAEL HOLMAN

With the People
by Maurice Nyagumbo. Allison and Busby £9.95 (paperback £3.95) 248 pages

One Friday morning in Cape Town, South Africa, a young black Rhodesian bought a new frock for his girlfriend and that evening the couple were runners-up in a multiracial ballroom dancing championship presided over by Victor Sylvester. Thirty years later Maurice Nyagumbo was in Salisbury Central Prison, condemning the Lancaster House settlement talks in a letter to a friend as a "sheer waste of time."

Fortunately he was proved wrong. Released in November last year, he played an important role in the successful election campaign of Robert Mugabe's Zimbabwe African National Union (ZANU) and became Minister for Mines in the country's first Cabinet.

With My People is the record of an extraordinary man who ran away as a schoolboy from his home in what was then Southern Rhodesia and for most of the next 15 years worked as a waiter in various South African cities. He charts his own political awakening, from a pre-occupation with ballroom dancing at a time when many of his friends were politically active, to a commitment to the liberation struggle in his home country which saw him spend all but 30 months of the past 20 years in prison for his activities.

Within months of his return to Salisbury in 1955 Maurice Nyagumbo devoted himself to the nationalist cause. He has been an insider during some of the key developments in black politics: the formation of the Youth League (with characteristic frankness he describes himself as a "fool" for not attending the inaugural meeting of the League); the bus boycott of 1956; the election of Joshua Nkomo as President of the Southern Rhodesia African National Congress in 1957; the split in the nationalist movement in 1963 which has yet to be healed; the ousting from ZANU leadership of Rev. Ndabaningi Sithole by his fellow prisoners in 1974 and his replacement by Robert Mugabe; and the release of detained nationalist leaders later that year for the historic meeting in Lusaka, Zambia.

But while one admires what a friend describes as "a quality of indomitability" about the man, the book remains disappointing. As an autobiography it is pedestrian; it offers remarkably little about the life behind bars of the men who are today Zimbabwe's leaders. Nor is best use made of Mr. Nyagumbo's role as a political insider who has the material on which to base a fascinating account of nationalist politics. Important events are sometimes skated over—such as the strike at Wankie Colliery and the decision by the then Prime Minister, Garfield Todd, to send in the troops. Many references to events and personalities will mean little to readers without a specialist knowledge.

One longs for Mr. Nyagumbo's observations about men he must know well — such as Robert Mugabe himself, Rev. Sithole, Joshua Nkomo — and wishes that the treatment of the ZANU-ZAPU split was less partisan.

Maurice Nyagumbo: from ballroom to prison

Some of these problems must be due to the circumstances under which the book was written. Two earlier drafts were confiscated by prison authorities, and the editing of the took place while Mr. Nyagumbo was still in prison — which perhaps also explains why the book effectively ends in 1974.

Brief extracts from more recent prison letters do not, alas, make up for this gap which covers traumatic years for black and white alike. Nor are Mr. Nyagumbo's observations on the war helpful, marked by the tedious rhetoric which is all too often found in ZAPU and ZANU publications. What is one to make of: "Vakomana (guerrillas) should acquire an inexhaustible capacity for patience to enable the masses to grasp consciously the logic of chimurenga (war)"?

Rights and wrongs of the matter

by DIANA RAWSTRON

Enacting a Bill of Rights: The Legal Problems
By Joseph Jaconelli. Oxford University Press, £14.00, 328 pages

The debate about a Bill of Rights has focused largely on the issue of whether such a document should be adopted as part of our constitution. Would a Bill guaranteeing certain fundamental moral rights secure individual freedom and protect minorities from the abuse of majority political power? This book moves on to the next stage of the discussion and provides a comprehensive examination of the problems of actually enacting a Bill of Rights.

In the first place there is a problem in determining what rights should be protected. Apart from the traditional freedoms of speech, assembly, personal security and property, emphasis is placed today on social and economic rights such as the right to work, education, health and a decent standard of living. The extent to which these latter kind of rights can be protected is questionable. One advantage of incorporating the European Convention on Human Rights lock stock and barrel into our domestic law (a proposal which the author in fact rejects) is that it would curtail argument about what rights should be contained in any Bill.

However, most of the book is devoted to a detailed discussion of the procedural problems which would arise from the various constitutional models available rather than the rights to be protected. The author's analysis is rigorous. He scrutinises carefully several systems of political and judicial review for testing the compatibility of legislation with the provisions laid down in a Bill of Rights. An internal political review would require the Parliamentary Commissioner or the Speaker to certify that a proposed measure complied with the requirements of the Bill of Rights.

Alternatively an external Human Rights Commission could investigate all complaints of breaches of the rights and could report to Parliament, which would have the responsibility of remedying the breach. There are various possible forms of judicial review from a direct power to annul unconstitutional legislation to less direct methods.

There is a particularly interesting chapter on the problem of entrenchment. Under our law no Parliament can legislate in such a way as to bind successive Parliaments as to the form or content of later legislation. If two Acts of Parliament conflict, the later repeals the earlier. In most countries where there is a Bill of Rights there is an attempt to entrench it in order to exempt it from the ordinary legislative processes of repeal and amendment.

The author draws on the constitutions of several other jurisdictions in the course of his arguments. At times it is not readily apparent why he draws such a fine distinction between one point and the next, but his attempt to consider the issue in a political context is interesting even if a little ingenuous. As a result, the draft Bill of Rights with which the book concludes is an uninspiring affair, as it represents the lowest common denominator of acceptability across a broad range of political views. The rights declared in it are limited and the only protection of them is that an Act of Parliament would have to state expressly if it derogated from them. The ultimate safeguard therefore would be public opinion which would be alerted if a government continually tried to use the derogation formula in its legislation.

The author claims that the book does not argue the case either for or against a Bill but confesses his doubts about what one would achieve, and his draft demonstrates, if one accepts his ideas about what is politically feasible, that it would be little. I wish he had been less cautious and had provided a more stimulating example for discussion, but overall the book is a most worthwhile and scholarly work.

Adman's progress

by DEBORAH PICKERING

Nobody Else Is Perfect
by Charles Hennessy. W. H. Allen £6.95 336 pages

A peasant in a Savile Row suit, sporting nobility of semantics, and furnished with top-drawer humour is a truly rare creature. This rara avis says he was born an aristocrat—"My parents, being peasants, were naturally a disappointment to me"— but writes almost guiltily of going through the front door.

He has, however, not disappointed himself, according to this chronicle of his success in the curious world of advertising. He identifies with that school of brilliant achievers which functioned in the 50s, enhanced the 60s and hallmarked the 70s.

Readers of the middle-age middle-class genre will no doubt identify, too, with the man (if not his arcane profession) and nostalgically enjoy early chapters on Oxford and London bedsitterland — the one-good-suit graduate tapping on doors with a thin curriculum vitae but with what is now known as a lot of bottle.

I never believed that the advertising profession could be as magnificently dilettante, side-splitting and immensely rewarding as Fleet Street. It appears to come a good second in Hennessy's tribute to men and women who "revealed extraordinary capacities for leadership, management, future planning, clear exposition or creative inspiration and spellbinding presentation."

Flannery O'Connor's *A Good Man is Hard to Find and other Stories*, reviewed in hardback last week, is also available in paperback from The Woman's Press at £2.50.

Heyerdahl puts to sea again

by DAVID BLACKWELL

The Tigris Expedition
by Thor Heyerdahl. George Allen and Unwin. £7.95. 333 pages

Thor Heyerdahl's expeditions in reed ships always call to mind Edward Lear's Jumblies—"In a sieve they went to sea." Ancient ship designs did not have many advantages, but the sailors were at least spared exhausting hours at the pumps. Tigris, ungovernable in a severe storm in the Indian Ocean, was shipping tens of tons of water, but it ran straight back into the sea through the bottom.

Tigris crossed the ocean safely, fully justifying Dr. Heyerdahl's confidence and vindicating his theory that the Sumerians were much more mobile 5,000 years ago than we credit. It is a fascinating story of enterprise, history, adventure and detection, and the arguments are backed by beautiful illustrations.

The ship was built from bundles of berdi reeds, which grow in the marshes where the Tigris and Euphrates rivers meet, at the cradle of civilisation, in southern Iraq. The Marsh Arabs held the key to the buoyancy of reed bundles; the reeds had to be cut in August if they were not to become waterlogged.

The difficulties overcome in constructing the ship at all are matched only by the problems of learning to sail her. In addition to the natural hazards of the sea, Tigris survived hazards unknown to the Sumerians—towing by 17,000-ton freighter, chemical and oil pollution, rammings, and narrow squeaks with supertankers in congested shipping lanes. But for five months and 4,200 miles she sailed, and the crew became proficient enough for Dr. Heyerdahl to assert: "We were masters of our progress."

The route taken linked Sumer, home of Tigris, with Bahrain (known to the Sumerians as Dilmun), and Oman, where Dr. Heyerdahl is convinced he found the ancient copper mines of Makan, which used to supply both Sumer and Dilmun. In both countries he found Arabs still using boats made of palm stalks and similar to his own vessel's construction.

Tigris sailed on to the mouth of the Indus river, in Pakistan. The crew visited the Indus Valley site of Mohenjo-Daro, a city contemporary with Sumerian civilisation and identified as part of Meluhha. There they found a seal showing a reed ship, and berdi reeds were growing by the river.

The longest leg of the journey was 1,300 miles across the Indian Ocean to Socotra, off the coast of the Horn of Africa, with not a ship to be seen and an abundance of marine life for company. "We had this strong feeling that only life in the wilderness can give, of time fading away, and past and present becoming one."

Tigris sailed under the United Nations flag with a multinational crew of 11. When she reached the troubled African coast, only the small republic of Djibouti allowed her to land. She was ceremonially burnt in protest against the accelerating arms race and the fighting in Africa and Asia—a sad end to a magnificent voyage.

Italian point of departure

by WILLIAM WEAVER

Flight from Torregreca
by Ann Cornelisen. Macmillan. £7.95. 304 pages

Torregreca
by Ann Cornelisen. Macmillan. £7.95. 335 pages

Ann Cornelisen's *Torregreca* came out some dozen years ago (and is now happily reissued, to coincide with the publication of her latest book), and it made an immediate, profound impression. It was—and is—the story of a large, remote, in some ways primitive, town in Basilicata, the least-known region of Italy, the instep of the boot. But it was not only the story of the town: it was, more cogently, the story of the author's relationship with that closed, needy and yet hostile, starving and yet proud, world. For Ann Cornelisen was not a reporter who had gone to the place she calls Torregreca (to protect its true identity) in order to write a book; she was a social worker who was settled there to start a day nursery on behalf of the Save the Children Fund. Helping the children and, coincidentally, their parents came first: the magnificent book was a by-product.

And her relationship with Torregreca has continued. In the course of setting up her school, she formed lasting friendships with the Torresi, not so much with the local establishment—the mayor, the religious authorities, the doctors and lawyers—but with the poor majority. Though she eventually moved north to Tuscany, she maintained those friendships, returning to Torregreca for the usual weddings and christenings and funerals, and for the lavish, absurd *festa* of mid-summer. She returned, too, to write another book, *Women of the Shadows* (1976), basically the life-story of half-a-dozen women of Torregreca, whose existence — as Ann Cornelisen portrays it—contains the ingredients of heroism and, at the same time, exemplifies contemporary life among whole strata of southern Italian society.

The original (American) title of the new book is *Strangers and Pilgrims*, quoted from the epigraph (Hebrews 11:13), which speaks of those who "died in the faith, not having received the promises, but having seen them afar off." The British publishers have, understandably, called the book *Flight from Torregreca*, equally accurate, if less poetic. This time, in fact the author uses Torregreca as a point of departure; and setting out from there, she follows a selected group of exiles, friends and acquaintances, to their foreign jobs, in the cities of Germany — Dusseldorf, Offenbach, and others — and in Turin, equally alien to a southerner.

Italy's migrant workers, the *Gastarbeiter* of Germany, Switzerland, Belgium, and the north, have been the subject of sociological surveys, statistical calculations, and also of political polemics, international friction. Cornelisen knows the statistics (and quotes them when necessary), but she was visiting human beings. She translates bald numbers into Edda and Michele and Pasquà, you learn what those statistics eat and wear, how they educate their children, what they dream about and fight about. And, at the same time, the author does not separate herself from her subject; the book is also autobiographical. Her trip was also a voyage of self-discovery, and the non-Italian, cultivated reader will identify with her and be grateful for her interpretative presence.

There are scenes of high comedy (the description of a bunch of Torresi in a German supermarket is anthology material) along with the poignant evidence of alienation. Throughout, there is meridional warmth, as welcome as the elegant, but never detached prose.

PROPERTY

The cream of glorious Devon

BY JUNE FIELD

The general effect of the white houses, the grey limestone cliffs, and the foliage and greensward . . . . is unusally pleasant and picturesque . . .
19th century Torquay Guide book

IT WAS the railway that radically changed the outlook for the sedate Victorian south Devon watering place, Torquay.

The first train arrived in December 1848: then as local historian Mr. Donald R. Pike records in *Portrait of Torbay* (printed by the local borough council): "Between daybreak on May 21 and the night of May 22 Brunel's 'broad gauge' railway died and the West Country knew it no more."

Through the efforts of a local pressure group, which pointed out that Bournemouth was capturing the cream of visitors because they had through rail connections with Birmingham, Sheffield and Manchester, Torquay was offered the same facilities.

Last week I made the 200-mile journey from London on British Rail's recently inaugurated high speed train service, *Paddington/Torquay, 3 hours, 21 minutes* (£23.30 special weekend return first class, *£18.40 second-class*).

House-buying and selling in Devon is as unpredictable as in other parts of Britain. "It's a very strange market," insisted Mr. Geoffrey Clark negotiator at Fox & Sons (11 offices in Devon and Cornwall, with a regional head office at Exeter). "Something you would have thought was over the top in price, with no particular outstanding feature, sells, and what seems like an absolute bargain, sticks.

"Anything near the water is still in demand, and so are easily-managed country houses with a paddock, or one on the edge of open fields where the farmer might let a family keep a horse."

The Devon gardens are at their best just now. At Prospect Cottage, tucked away behind a five-barred gate, honeysuckle and roses trail over the two front doors, (the 16th century stone and cob thatched cottage was originally two one-bedroom dwellings), and the owner was tending the tiny piece of lawn that leads off the paved terrace.

Inside, massive exposed beams, stone fireplaces, and window-seats contribute to the picture-book appeal. Included in the asking price of around £60,000 is the up-to-date kitchen equipment and an 18th century *half-tester* bed. A "tester" is the top covering of a bed, and short of dismantling the staircase it can't be moved! Illustrated brochure from Mr. Graham King, manager, Fox's, 59 Fleet Street, Torquay (0803 28651).

In the village of Stoke Gabriel on the banks of the River Dart the same office has a tiny two-bedroom thatched cotage which has a "flying freehold" — this gives right of support to its neighbour, one of its rooms being over the top of one which is part of the adjoining cottage.

It is suitable as a holiday home and offers around £20,000 were being invited. (Get your Devon cream tea at the Quayhole down by the water where the swans come up to the car).

For those who want to use a holiday place only for a limited period each year, the time-ownership operation came to Torquay a couple of years ago when the Elliott Property and Leisure Group of Bath bought the Osborne, at Meadfoot Beach, a whole Regency terrace of houses originally called Hesketh Crescent after one of the local Palk family.

To buy one week's ownership for 80 years of a fully furnished and equipped (colour television included), centrally-heated studio, penthouse, mews flat or lodge cottage (for a family of 5 or 6), costs, according to season, from £950 to £5,500, plus an annual management charge of *£40*.

I stayed in one of the elegant sea-front balcony-apartments overlooking the tiny palm-lined bay with its tennis court and heated swimming-pool, *which is all part of the adjacent* hotel in its five-acre grounds, all amenities included in the purchase package.

For an illustrated folder which also gives details of a special half-price "viewing-visit" to the Osborne, plus how to swop your accommodation for something similar in other parts of the world, contact Mr. Williams, Elliott Property, 11, Kingsmead Square, Bath (0225 316315).

To the west of Bournemouth, once known as the Hampshire Torquay (the area is now in Dorset), Elliott Homes, part of the same group, is building Branksome Towers, 42 apartments and 18 dwellings on the cliff top grounds of the former hotel.

There are superb views over Poole Bay from the Isle of Wight in the east to the Purbeck Hills in the west, and the spacious two- to *three-bed*roomed, two-bathroomed flats and penthouses are being sold in traditional full-ownership manner, around £107,500 for a 99-year lease.

The price includes the latest kitchen equipment, gas central heating, double-glazing, television entryphone security system, and garage, plus thoughtful extras such as a television aerial socket in the bedroom as well as the living-room and three GPO telephone points. Beach cabins, which are reached from private paths in the grounds which slope down to the beach, are an extra £6,000 or so.

Nine of the 23 apartments in the first phase are sold, and there are some building plots available on which architects John Dalton and David Terry, *of Plymouth*, will prepare plans of two-storey three- or four-bedroomed houses or two/four-bedroomed bungalows.

Brochure from Mr. Williams at Elliotts, or the joint agents Mr. Norris, Fox and Sons, 12 Haven Road, Langford Cliffs, Poole (0202 708099), and Hudson and Son, 3/5 Yelverton Road, Bournemouth (0202 27766).

Los Monteros, Rock End, Torquay, Devon. Palm-filled gardens go down to the grounds of the nearby Imperial Hotel. *A 3-bedroom, 2-bathroom* house built about 16 years ago. The main living rooms and master bedroom lead on to their own balconies which overlook the heated swimming pool and have superb views of the coastal waters. Illustrated details Geoffrey Clark, Fox and Sons, 59 Fleet Street, Torquay (0803 28651) who are looking for offers over £125,000.

Prospect Cottage, in a pretty village near Newton *Abbot, Devon, is a 16th century 2-bedroom* thatched property with the original old beams and open stone fireplaces. The price of around £60,000 includes the modern kitchen equipment and an *18th century half-tester bed. Details* Geoffrey Clark, Fox and Sons, 59 Fleet Street, Torquay (0803 28651).

The new Mercedes: more *performance*, less fuel.

The mighty Merc

BY STUART MARSHALL

WHEN TIMES are hard, the up-market car manufacturers are not necessarily the first ones to suffer. Honda, Mercedes and Porsche all sold considerably more cars here from January-July this year than they did during the same period of booming 1979.

Volvo's sales have been virtually the same, which means their share of the diminished market *has* significantly increased.

Though admitting that the outlook is uncertain, all four are confident they will continue to keep ahead of the pack for *the rest of the year*—and none more so than Mercedes, whose best-selling "compact" models have been *improved* for 1981.

The new versions of the four-cylinder Mercedes have been on sale on mainland Europe for some weeks, but they make their British debut at the Motor Show, Birmingham, in October. Having had a preview of the new 200 and 230, I predict that potential buyers who might have admired their robustness but felt they lacked performance will have to change their *minds*.

They do not (present Mercedes "compact" owners *will be glad to hear) look any* different but they have better fuel economy, greater refinement and more get up and go. Two entirely new 2-litre and 2.3-litre four-cylinder engines have been introduced, together with a new four-speed manual gearbox.

Engines and gearbox are destined for the so-called "small" Mercedes — actually not much smaller but quite a bit lighter than the existing ones—that is due to appear in the autumn of 1981.

The two-litre with carburetter develops 109 horsepower, a 16 per cent improvement, but uses between nine and 13 per cent less petrol. It makes the Mercedes 200, previously no ball of fire, feel considerably livelier and more refined.

Because of tha engine's added muscle, a 200T estate car has been *added* to the range. Previously, Mercedes felt the two-litre engine was not man enough for the estate, with its high load carrying potential.

With fuel injection, the 2.3-litre has 25 per cent more power than the previous engine. A 230E automatic I tried in Germany still sounded like a four-cylinder (which, of course, it is) but otherwise felt much more like a six, so smooth was the *flow of power*. The *new* four-speed manual gearbox on the 200 was finger-light, with unbeatable though *unobstructive* synchromesh.

Yet another Mercedes newcomer to Europe is the automatic 300TD estate, which has been selling well in America. It will not be coming to Britain just yet, though *an* unsupercharged 300TD joins the right-hand drive estate range *soon*.

The turbo diesel gives 42 per cent more power and 45 per cent *more* torque (pulling power at a given speed) than the unsupercharged version and its fuel consumption—35 mpg at a steady 56 mph, 27 mpg at a steady 75 mph—is better than that of any other Mercedes estate car.

Even at idling speed it is hard to remember it is a diesel and its 0-62 mph acceleration time (a respectable 15 seconds) is not much more than half that of the *240TD* automatic.

Mercedes see no reason why sales of the "compact" models *will* not continue to climb for the rest of the year, matching the growth in sales of the *sporty* coupes.

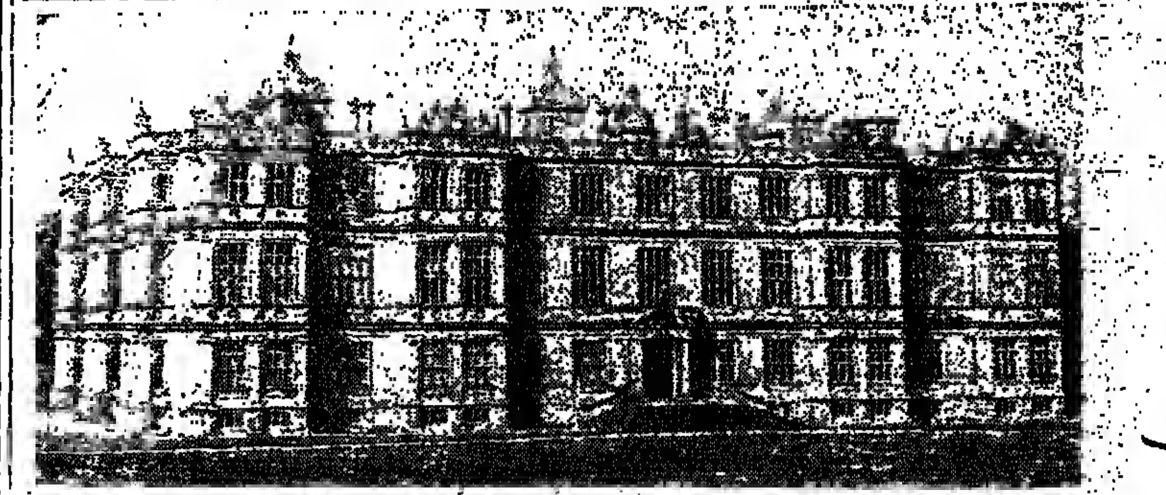
They think there may be a dip in the "S" class because the original cars have ceased production and there may be a shortage of right-hand drive new "S" models for a little while. These cars, too, will make their UK debut in Birmingham in October.

Sunroof summer

IT HASN'T, as I noted the other week, been much of a suummer for convertibles, though sunroofs, which can be opened and closed between the showers, are another thing altogether. And especially the new generation of glass roofs, pioneered by Ford with the Fiesta and now widely available on what the trade calls the aftermarket—you have them fitted to a car after you have bought it.

A £140 Panarama sunroof, fitted to a Datsun Cherry estate I drive now and again, has made it lighter inside, improves the already excellent face-level, fresh-air ventilation and creates so little wind noise it can be left open when cruising on the motorway. Even in a thunderstorm or at night the Cherry seems somehow more spacious and airier.

The Panarama roof is assembled in the West Midlands and is for specialist, not *do-it-yourself*, fitment. Although *not* every car is a suitable case for treatment, most of them are. Among *exceptions* are Talbot Avengers and Ford Cortina estates. "We have consulted all *the car makers* and we won't fit a roof to any model if we have the slightest doubt," Panarama told me.



Longleat

History with chimpanzees

BY SYLVIE NICKELS

ABOUT HALF a mile from my desk, a curious structure stands in the middle of a cornfield above the Cherwell Valley. It is known locally as the Folly *and is one of the architectural* what-nots that formed part of William Kent's design of the grounds *of* Rousham House in the valley below.

Though it must be an irritating object to those concerned at ploughiog or harvest time, it certainly adds tone to our local scene. The same is true of many thousands of other architectural whims that have found expression across the length and breadth *of these* isles.

Rousham House, built in the 17th century, re-modelled in the 18th, and used as a Royalist garrison in the Civil War, is one of the smaller of the hundreds of stately homes and historic houses which, between them, attract millions of visitors each year. Each is unique in its way, though obviously some qualify for the description better than others.

In a highly competitive age, moreover, many have broadened the scope of their attractions. Some of us may regret this and wonder whether it is the chimpanzees rather than the Chippendale, the miniature railways rather than the Rubens or Vermeers that attract visitors in the first place.

But, after all, one can lead to the other. The fact is that the art treasures are there, secure and cared for, and we should be heartily thankful for it.

Unless your tastes are extremely catholic or you just like looking at other people's houses, it seems sensible to find out in advance whose has what to offer. Many are still owned privately: others belong to bodies such as city corporations and district or county councils, or the *Department* of the Environment.

Membership of the National *Trust (over 200 buildings, 100* gardens) or the Friends of the Historic Houses Association (over 250 privately owned member properties) is well worth while, and these organisations have their own publications. Those of our national *and regional tourist boards* include general stately home facts for their areas.

But the most comprehensive source I know for the whole of the UK is the annually revised **Historic Houses, Castles and Gardens (80p)**, which gives brief descriptions and all the essential details concerning opening times, entrance fees, availability of refreshments and suitability for wheelchairs.

The attraction of some houses arises from their association with famous people—Bateman's in *East Sussex with Kipling*, Rydal Mount in Cumbria with Wordsworth, Castle House in Essex with *Sir Alfred Munnings*, Jane Austen's house in Winchester, Hampshire, and so on. Others are the scene of historic and/or grueaome events, such as the splendid 12th century pile of Berkeley Castle in Gloucestershire where Edward II was murdered in 1327.

Yet others have their particular curiosities. There is the Toy Museum at Penshurst Place, and the Museum of Medieval Dog Collars (the canine variety) at Leeds Castle, both in Kent.

Hatfield House in Hertfordshire has the National Collection of Model Soldiers, exotic butterflies cavort in a natural jungle at Compton House in Dorset where your visit can include Lullingstone Silk Farm. Not so far away, Parnham House is the home of a School of Craftsmen in Wood, and Chingle Hall in Lancashire is reputed to be ona of the most haunted houses in Britain.

In addition to such famous features as the Lions of Longleat in Wiltshire and the National Motor Museum at Beaulieu, Hampshire, a good many stately homes have expanded their family appeal with adventure woodland play-grounds, nature trails, miniature railways, aquariums and aviaries, crafts shops and garden centres.

Some extra ingenuity has resulted, for example, in a teenagers' commando course at Muncaster Castle and hot air ballooning at Holker *Hall*, both in Cumbria.

Medieval banquets, jousting tournaments and *historic* events are re-created in eminently suitable settings. Belvoir Castle in Leicestershire is the backdrop for some jousting ("no punches pulled") this coming Bank Holiday weekend (August 24-25), while over at Sudeley Castle in Gloucestershire the Cavaliers will be doing battle with the Roundheads.

Music is the attractive theme of quite a few events, though *it is a daily occurrence at Finch*cocks in Kent where informal music each afternoon emanates from an *historical collection* of harpsichords, chamber organs and early pianos.

But there are also concerts on specific dates—for example, a cello recital at Beningbrough Hall near York *on* September 6 and music from Baroque to present day at Dyrham Park, Avon, on September 20.

For some, the glorious gardens and grounds of stately homes will hold as much appeal as the interiors. Many are famous, such as the numerous creations of Capability Brown. Others are the result of carefully controlled evolution over the centuries. All in some measure have contributed to shaping magnificent chunks of our landscapes.

Addresses: National Trust, 42, Queen Anne's Gate, London, SW1H 9AS; Friends of the Historic Houses Association, 10, Charles II Street, London, SW1Y 4AA; English Tourist Board, 4, Grosvenor Gardens, London, SW1W 0DU; Scottish Tourist Board, 23, Ravelston Terrace, Edinburgh, EH4 3EU; Wales Tourist Board, Brunel House, 2 Fitzalan Road, Cardiff, CF2 1UY.

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HOW TO SPEND IT

by Lucia van der Post

ANYBODY finding themselves in London during the period from 21st August to Saturday, 23rd August, and in search of something interesting to do, could do worse than go along to the Wembley Conference Centre where one of the largest craft shows ever put together will be taking place.

Almost every conceivable craft (and some fairly strange ones, too, come to that) will be on display. Not only will people actually be demonstrating bow to turn the wood, or throw the pot, or weave the wool, but anybody having any kind of difficulty with their chosen craft can seek out specialist advice.

The exhibition opens at 12 noon on 21st August and is open that day and the following until 8 pm. On the 22nd it opens at 10 am and on Saturday 23rd it will open from 10 am to 5 pm. Admission for adults is £1, for children under 14 and pensioners 60p.

On the Move

One of the joys of the British summer is that in townhalls and villages up and down the country there is a whole host of activities to be enjoyed, ranging from small craft shops to be visited to the many small festivals that make their annual appearance. It's the time of year when many of us visit other parts of the country and so this week it seemed a good idea to look at just a few of the out of the way places that are worth a visit. Those who live in the localities will obviously already know of the activities and exhibitions on offer but for those passing nearby some may perhaps tempt readers to linger a little longer.

An essential guide for those who are interested in the crafts and like to visit workshops when in different parts of the country is a guide issued by CoSIRA called Crafts Workshops in the English Countryside which costs £1.25 (p+p 40p) direct from Council for Small Industries in Rural Areas, 141, Castle Street, Salisbury, Wiltshire.

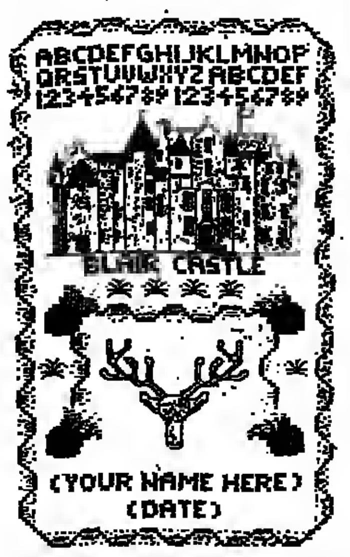
Those wandering in the West Country might like to know that for only 20p (including postage) there is a very informative leaflet showing craftshops in Devon that can be visited. Besides a map, there are all the other details the visitor needs to know like opening hours, telephone numbers and the descriptions of the crafts. Buy it from: Craftguides, 11, Overlands, North Curry, Taunton, Somerset.

Mary Gostelow is a very distinguished writer on embroidery and needlework of all sorts (her "Art of embroidery: great needlework collections in Britain and the United States" is an established authority on the subject) and for those who have been capivated by some of our historical buildings she has translated a number of those buildings onto linen. All the buildings have been produced as accurately, as architecturally correct as linen and thread will allow. Each design also has suitable motifs and patterns worked into the sampler and each comes in kit form, ready for the enthusiast to start working on.

Mary Gostelow calls the range "Historical samplers" and envisages that some enthusiasts might like to collect the whole series. There is Westminster Abbey (showing the West Front, the Abbey's crest and poppies from the Tomb of the Unknown Soldier), there is Blair Castle (the sampler is photographed here), Hardwick Hall, Broadlands, Montacute House, and Wells Cathedral. Each measures 27 cm by 15 cm (10½ in by 6 in) and each costs £6.32, either from the site in question or from Samplers, 43, Milton Abbas, Blandford, Dorset. Price includes postage and VAT and Mary Gostelow will gift-wrap them for no extra charge.

With each kit comes all the linen, threads, needle, instructions (including those for filling in your name) and a full-colour photograph and historical background of the house.

Further kits, like Edinburgh Castle, the Tower of London and English Flowers are only available by post.



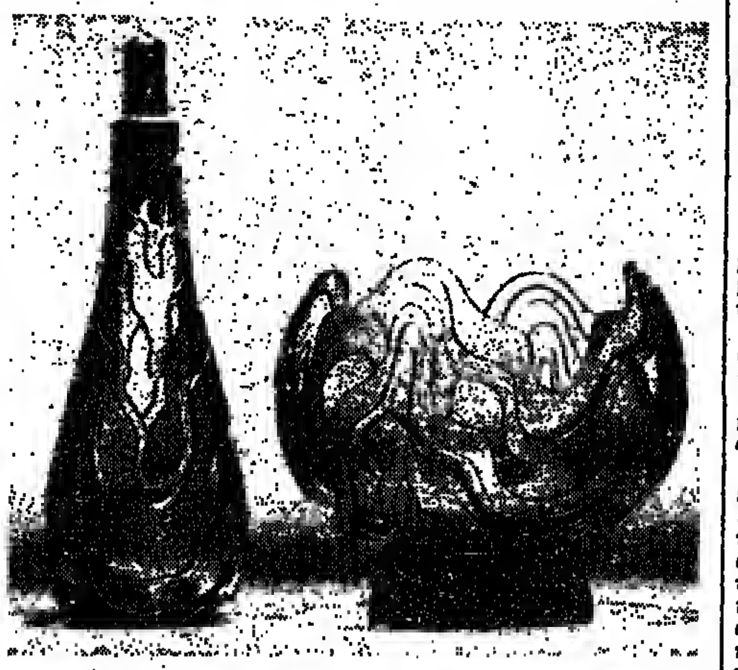
ANYBODY travelling in the beautiful countryside of Deeside might be surprised to know that in a highland glen, less than a day's stalking distance from Balmoral, is a fine-art gallery run by (and here I have to declare an interest) Peter and Dorothy McEwan, who are the parents of Feona McEwan, who works with me on this page. Remote though the gallery may be, visitors from places as far apart as Latin America and Russia, Japan and Switzerland, manage to find their way to its doors.

The gallery specialises in Victorian, later Continental and Scottish paintings and, though many of the paintings are becoming increasingly valuable, you could get away with spending as little as £25.

Those who might be in Ballater later this summer will catch the first exhibition of wildlife paintings by James Renny, said to be one of our most up-and-coming wildlife artists. Tomorrow the Duke of Edinburgh will be making a private visit to open the exhibition and from then on collectors and enthusiasts will be welcomed.

As you can see from the accompanying photograph of James Renny's painting, Golden Pheasants, his work is not only immensely detailed and accurate but eminently decorative and easy to live with, too. He has already done a number of important works for the National Trust for Scotland and prices of pictures at this exhibition range from £300 to £1,250.

Besides paintings, the gallery specialises in old natural history and sporting books and it issues a mail order catalogue four times a year. The current catalogue is available free on receipt of a large s.a.e. The gallery itself is in part of the McEwan's family house and the address is The McEwan Gallery, Bridge of Gairn, Ballater.



NEWCOMERS or visitors to London should make a point of paying a visit to the Design Centre at 28, Haymarket, London, S.W.1. Although in my view it is always worth visiting from time to time, until 6th September there is a special exhibition of very interesting, innovative work by three young designers working in crystal. All three were trained at the Stourbridge College of Technology and Art and all three, under the patronage of Royal Brierley, have been exploring techniques that used to be used in Britain's glass factories many years ago but had virtually disappeared.

Keith Cummings and Stuart Garfoot, both explore the possibilities of molten crystal glass, either leaving it to flow over natural patterns, like leaves or flowers, to produce their decorative effects or else using metal grids and patterns inscribed in graphite to obtain their effects.

A 19th century glass press discovered at Royal Brierley's crystal factory encouraged them to revive the art of crystal pressing. The third designer, Catherine Hough, specialises in decorative blown crystal which she then decorates by more traditional methods.

Her bottle and bowl in green crystal are shown photographed here. The attractive textures were achieved by sandblasting and acid polishing the surface while the mottled pattern on the bottle was formed by enamelling globules of crystal on to the surface.

Anybody interested in the techniques involved in producing decorative glass would find it well worth while looking in on the Design Centre before 6th September.

Going West?

THERE CAN be hardly anyone in England who has not heard of the enterprise Dartington Hall Trust, near Totnes in Devon, whether of its school, rural crafts and industries, glass works or string quartet, but if you haven't visited it in years, you might be surprised at how it has changed and grown.

For some time there's been a craft shop at Shinners Bridge in Dartington village itself which has been a show place for the work of a wide range of artist craftsmen.

Where there was once a single shop there's now a pleasant sprawl of buildings, old and new, which house a variety of arts as well as crafts. The wood and slate facades of the new ones fit in well with the old, adapted as shops and galleries, with exposed beams and white-painted brick walls. The light and airy new craft shop and gallery is a particularly good showcase and holds special exhibitions by craftsmen such as Michael Casson. There's also a branch of Cranks, the health-food restaurant, to revive exhausted shoppers and browsers.

The whole complex is called the Dartington Cider Press Centre, and the old press is set in the outside wall of the restaurant: you can drink Dartington's own cider and apple juice with your salad or vegetable dish (and take home Doris Grant loaves—with the recipe thrown in).

The restaurant has wide views over the countryside through its big windows, but it's conducive to intimacy as well as family relaxation. One glamorous couple were locked in what might have been a proposal, a serious discussion of how to furnish their house or a dejeune de rupture (I never did decide which).

Their needs would have been easy to meet in the craft shop next door: a magnificent grey-pearl Gerda Flöckinger ring, woven rugs and bedcovers or elegant woollen garments to console their loneliness. The roomful of Dartington glass includes seconds for bargain-hunters, and a vast array of domestic and decorative pottery by David Leach, Marianne de Trey and Svend Boyer, as well as some appealing old-English slipware by Mary Wondrausch. Do-it-yourself fiends can buy wool and a loom, pottery wheels and kit, raku kilns, along with books to tell them how.

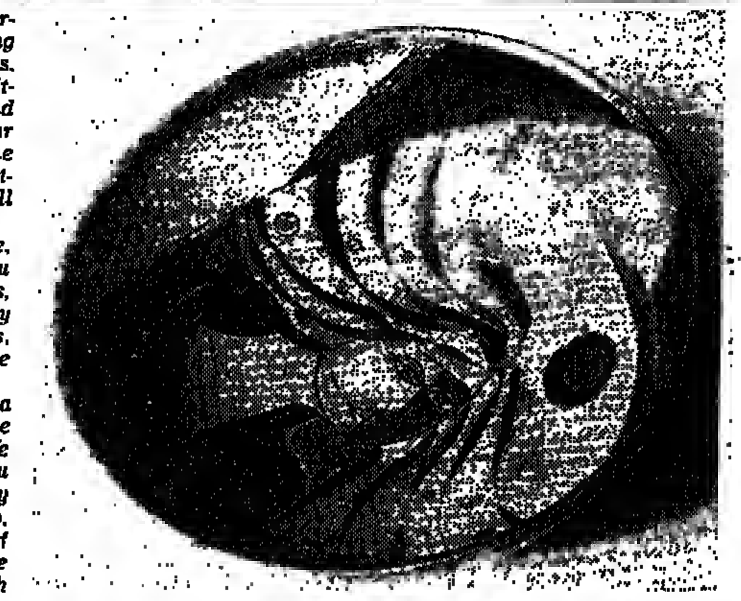
The original Dartington Hall shop sells something from each branch of the Dartington business chain including lengths of tweed, capes, jerseys and jackets for striding over the moor in, as well as beach cover-ups and smocks for less bracing pursuits. A mixture of bags, belts, baskets, tablemats, kitchen gadgets, cards, books and yet more pottery will grab your attention. The goodies at the Tridias toy shop range from outsize Paddington bears to small wooden trains.

If you need more sustenance, go to the farm shop where you will find quiches, chicken pies, pasties and cheese to take away made lovingly by local hands, along with that cider and apple juice and preserves galore.

The Cider Press Centre is a happy bul de promenade all the year round, and not only to the serious shopper. In summer you can picnic and follow country trails when you are spent up, at Christmas there is plenty of free jollity, and just before Easter you get daffodils with anything you buy.

Nearby, you can also visit the Dartington Hall tweed mill and shop (telephone Totnes 862796) and 50 miles away, the Dartington glass factory and shop (telephone Torrington 2321) though it is best to ring first to check opening times. For general information on any of the Dartington Hall ventures, ring Totnes 864171.

JUDY WHALE



Just to whet the appetite of those travelling in the West Country—this lustreware dish by Bernard Forrester is just one of many items to be seen (or if you like them enough, bought) at the summer exhibition of the Windjammer Crafts gallery at Russell Court, Fore Street, Salcombe, Devon. The exhibition is on officially until the 18th August but, of course, being a gallery there is always a big selection of local crafts on view.

Drawing by Janet Wheeler

MOST of us normally think of stained-glass windows as a distinctly medieval occupation linked with overtones of religious ardour. However, in the heart of Somerset, Fran Johnston has turned it into a most secular and up-to-date activity. She seems to have a joyous approach to life—all her work is full of colour, of sunshine, of birds and butterflies, living, growing things.

Besides working for special commissions — and the examples of these that I have seen have been stupendously original and colourful—Fran Johnston has a number of standard stained-glass items that can be bought by post. Nearly all of them are taken from nature — a brightly-coloured Scarlet Macaw, a blue and green Lapwing, a snugly curled cat, a pair of Mallards, a Blue Tit with some peanuts, several butterflies, some toad stools, and so on. All the stained-glass is hand-blown and is set into leaded panels which are ready-wired for easy hanging—hang them on windowsills and give pleasure to passers-by as well as to those living inside the house.

If you are down Somerset way you can call in and see Fran Johnston at work at Unicorn Glass Workshop, Tooses Farm, Stoke St. Michael, Nr. Bath, Avon. If you don't happen to be travelling in the area but the idea of her work appeals to you write to her for her full-colour mail order leaflet. Prices for the small single pieces are very reasonable, starting at £5.95 for the wren and going up to £15.95 for the pair of mallards.

Party Piece

BY JULIE HAMILTON

MY MOTHER on the phone. "Darling, I am giving a surprise birthday party for Michael" (Michael Foot, my step-father). "Can you help?"

"Of course," I reply, little knowing what I am taking on.

My mother is planning a sit-down meal for 28 and would I like to make the birthday cake. Well, not a cake really, but a gateau that would be my birthday present to Michael.

Yes I would, but 28 of my stepfather's political and journalistic friends are quite a different kettle of fish from my normal dinner parties.

Twenty-eight portions, that is a pretty big cake. Shall I make four square cakes and join them? Should they all be the same? How about a walnut gateau, a hazel nut, a chestnut and an almond, all stuck together? No, that is not quite right. The gateau must have plenty of layers, it must be colourful and it must be different.

At last I have it. I will make four seven-inch round gateaux and join them like two figures of eight, crossing one another. Each cake will have four thinnish layers, two of plain lemon sponge and two of hazel nut and chocolate sponge.

The cakes will be filled with layers of cream cheese, cream and alternately raspberries, Michael's favourite fruit, strawberries, redcurrants and blackcurrants.

The four cakes will be placed together, the central cavity between them filled with combined crushed meringue and whipped cream, the whole being covered with a butter cream icing to make it look like one cake.

The top will be decorated with frosted fruits to denote the flavour inside each section.

I need a cake board, approximately 2 ft by 18 ins. My local DIY shop supplies me with a piece of melamine chipboard, which is ideal. Now all I need is plenty of time and a safe, smooth journey up to town with my creation.

Michael's birthday gateau—serves 28-34

I made the sponge layers a few days in advance and put them in the freezer until I was ready to fill them.

For the lemon sponge layers: 6 large eggs separated; 4 oz granulated sugar; 4 oz self-raising flour; ½ teaspoon finely grated lemon rind

For the hazel nut chocolate sponge layers: 4 whole eggs plus 3 egg yolks; 6 oz hazel nuts finely ground; 10 oz sugar; 3½ oz Menier chocolate; 2 heaped tablespoons self-raising flour

For the filling: 2 lb double cream cheese; ½ lb icing sugar; 1 pint double cream; ½ lb raspberries; ½ lb strawberries; ½ lb redcurrants; ½ lb blackcurrants; 3 or 4 meringues

For the butter cream icing and decorations: 2 lb icing sugar; 1 lb butter; 2 or 3 tablespoons lemon juice; 8 small flowers (could be bonbon roses); 8 or so small sprigs of mint; 8 or so small basil sprigs; 2 summer jasmine flower sprays with leaves; 3 clusters redcurrants; 3 clusters blackcurrants; 3 or 4 firm raspberries and strawberries with stalks; egg white and caster sugar for frosting

If you intend to make the gateau all in one day, you will need to rise early and start by frosting your decorations to give them time to dry out before you need them.

To make the decorations: lightly beat the egg white and brush each item of decoration with it. Dredge thoroughly with caster sugar and set on a cake rack in a warm place to dry. I advise frosting more than you need to allow for possible damage when handling.

To make the lemon sponge layers: pre-heat the oven to gas mark 4 (350F). Flour and grease two seven-inch sandwich tins (or more if you have them). Beat together egg yolks, sugar and lemon rind until they are very pale and creamy.

Whip the egg whites until very stiff and slowly fold them into the egg yolk mixture, sprinkling in the twice-sifted flour as you fold. You have to make eight thin sponges out of this, so mentally divide the mixture into eight as you go. Place approximately two or three tablespoons of the mixture in each sandwich tin and carefully spread it out. Bake for approximately 10 minutes, turn out with the aid of a spatula on to a cold flat surface and repeat the process until you have eight thin lemon sponges.

To make the hazel nut chocolate sponge layers: cream together the whole eggs and the yolks with the finely ground hazel nuts, sugar and chocolate, which you have softened over a very gentle heat.

Slowly add the flour, divide and bake for approximately 15 minutes and turn out to cool as above. (It is possible to freeze these sponges now if you want to. Place a piece of grease-proof paper between each and put them in a tin or box.)

Decide how you are going to arrange your four cakes on the board. It is important that they are all touching each other so that when you ice them they will look like one cake. I cut out four pieces of paper into 7-ins rounds and played with them to find the shape I liked best. Beside each cake make a pencil mark on the cake board to remind you which round has which filling.

When you have iced it, it will be hard to remember, but you need to place the appropriate decorations on the top of each cake to denote the filling. Build up one cake at a time.

To make the sponge fillings: take ½ lb cream cheese, ½ lb one of the fruit, 2 heaped tablespoons icing sugar and 6 tablespoons double cream.

Whip the cream until fairly stiff and combine it with the cream cheese, sugar and chosen fruit (if big strawberries, you will need to cut them up). Place one lemon sponge in position on the board and spread one third of the mixture on it. Cover with a hazel nut and chocolate sponge and repeat the process until you have four layers, ending with the hazel nut chocolate sponge, smooth side up.

Do the same with each different fruit.

Now to make the centre cavity filling: carefully cut off enough of the meringue to cover the top of the space. Stiffly whip the remaining cream and blend with the rest of the meringue, which you have crushed. Push this mixture into the cavity and place the whole piece of meringue on top, to make it possible to ice over it.

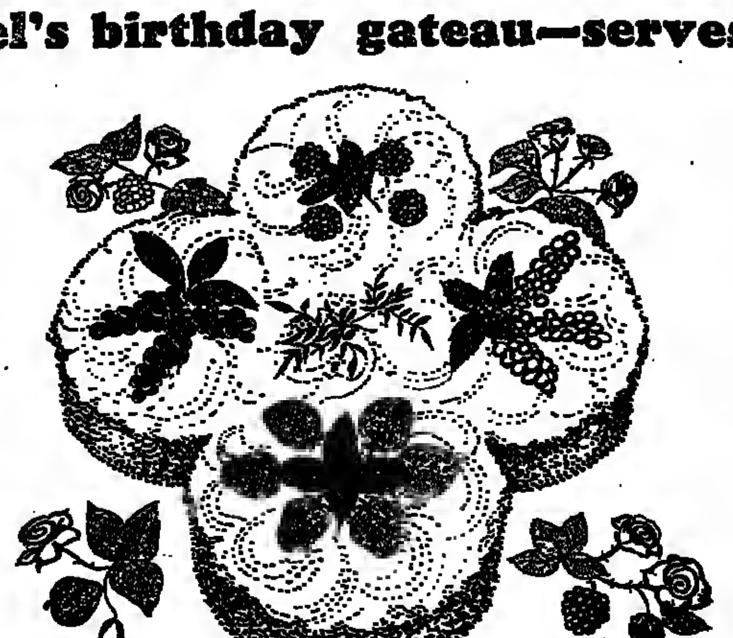
To make the butter cream icing: beat the butter until very creamy. Slowly (this must not be rushed) add the sifted icing sugar and, half way through, the lemon juice. Starting with the sides, completely cover the cake with icing.

Place the frosted red currants and a mint sprig on the section filled with red currants. Do likewise, with the appropriate fruit, on each one.

Brush with egg white an area of each corner of the cake board. Dust with icing sugar and quickly place the remaining frosted decorations, roses and basil perhaps, on the egg white and sugar, so that it sticks to the board. Place the summer jasmine over the area filled with crushed meringue and cream.

Now stand back and marvel at your creation. I promise you it will be a sensation at a party.

It was at Michael's.



Drawing by Celia Baker

ARTS

Shakespeare at Avignon

BY ANTHONY CURTIS

There is a new man in charge of the Avignon Festival this year, Bernard Faivre d'Arcier, who has succeeded Paul Puaux and the legendary Jean Vilar. M. d'Arcier has a subvention of FFr 1,500,000 for productions, and receipts at the box office are estimated at over FFr 2m, but he does not have an easy task. Where is the Avignon Festival going people ask him? Where are the new French playwrights? Where are the great performers to rival such as Gérard Philipe?

One of these, the actress Maria Caserès, whose performance with Vilar in Marivaux's *Le Triomphe de l'amour* is still relished by those whose memories reach back to 1955 made a nostalgic appearance in one of the Festival's major productions, a French version of Shakespeare's *The Winter's Tale* in which she played the role of Time linking the 16-year gap that divides the two halves of the play.

Time has not blunted the cutting-edge of the voice that still haunts us in the film *Orphée* and it would seem to have dealt reasonably kindly with the lady herself to judge from her appearance in the Maison Jean Vilar to sign copies of her memoirs, *Résidente Privilégiée*. The title is a reference to her Spanish origin and long career in exile. She complained of the heat in Avignon in summer but is none the less a loyal champion of the Festival.

The general feeling among the regular attenders is that in a difficult transitional year M. d'Arcier has got off to a good start. The morning conferences with various film directors and the extensive film programme with screenings of the work of Scola, Mankiewicz, Schroeter, Wajda and Godard have been much appreciated, and there has been as strong a contribution from visiting dance companies as from theatre groups. The Jenolier Muller company ("La danse à l'état pur") and the Louis Falco Dance Company have both been seen in the Courtyard of the Papal Palace and the Ballet Theatre of Avignon and the Centre National du Théâtre Chorégraphique de Rennes have appeared in the Théâtre Municipal.

Although the Festival is strictly speaking confined to Avignon itself and d'Arcier's writ does not go beyond the circular walls of the city there are a number of other festivals happening at the same time throughout Provence which offer the visitor with a car a remarkably wide choice from Wagner in the open air in the Roman amphitheatre at Orange to examples of the art of shadow puppets, marionettes and mime in the Chartreuse at Villeneuve-les-Avignon.

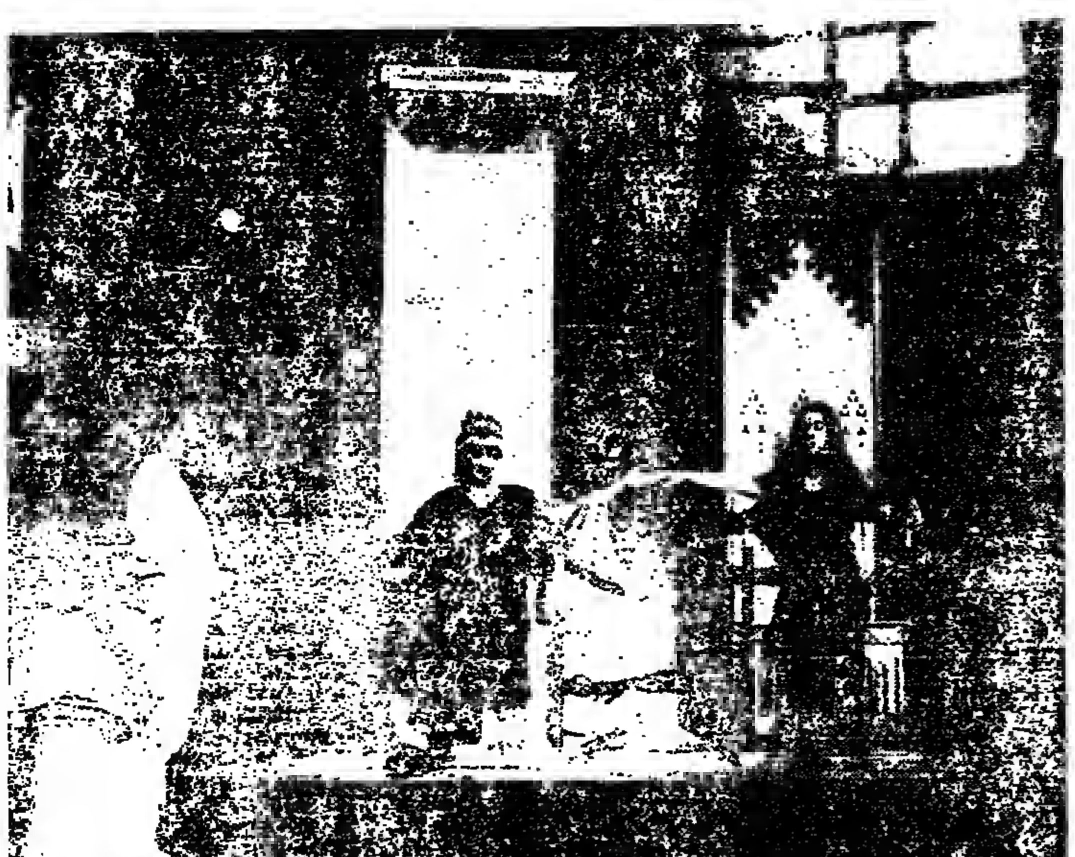
The latter, which is only five minutes drive from Avignon across the Pont de L'Europe, contains a thriving festival of its own under the guidance of Jacques Rigaud with a special interest in ancient and contemporary music, "formes animées," and poetry. Evenings devoted to the work of Apollinaire and Lorca with members of the *Comedie Francaise* were most imaginatively conceived.

Here at Villeneuve as at Avignon the aim is to relate the Festival to its environment and to exploit the unique opportunities presented by the climate and the spacious ancient buildings. One building in Avignon that is not so spacious, nor does it have an open courtyard, is the Condition des Soies, a dome-capped tower looking like a huge kiln (and feeling like one after an hour or so), that was once a stock exchange for the silk trade. Here the Théâtre-Ecole de Montreuil set up shop with their ambitious production of all three parts of Shakespeare's *Henry VI* translated into French. This is a student group whose members all have jobs. The school specialises in ensemble work and does not give credits for individual performances, merely listing the people taking part in the programme alphabetically.

The night I went they were doing *Henry VI*, part two, which is dominated by the arrival of Margaret of Anjou in England and ends with the rebellion of Jack Cade. Male and female roles were cast irrespective of the actor's own sex. The part of the King was played by a pretty girl, with blonde hair, whose looks gave a striking effect of high-born irresponsibility to her actions. Cade was a massive ogre of a man, swinging ape-like from the roof. The circular arena was sanded (sand is the in-thing for acting areas currently) and the production worked on several different vertical levels from the roof downwards. Actors walk off by sitting in a semi-circle in front of the spectators as well as using more conventional exits.

The multiplicity of parts and episodes suited the company's needs and the frequent mention of France as the unknown quantity in the Wars of the Roses helped the audience to grapple with the muddle of the plot. Shakespeare's youthful "Marlovian" manner seemed to go well into French prose and provide opportunity in plenty for the violent style of speaking we associate with the theatre of cruelty. And not only the speaking: the trial of Gloucester's wife, the pulling away of the crutches from the blind man claiming a miracle, the rampaging of Cade's followers, the death of Clifford, were all played at full stretch. But what made it a rewarding evening was the disciplined group-work achieved by this young company, their power of suggesting such memorable stage-pictures (in the scene of falconry, for example) by the simplest of means.

M. d'Arcier's decision to invite these student performers to the Festival was fully justified by their work and it is to be hoped that we might see some of it in London before long where it would well suit an arena such as the Round House at Chalk Farm.



The King and Queen played by students of the Théâtre-Ecole de Montreuil in Henry VI Part two.

Harrogate Festival

BY WILFRID MELLERS

Though it has been accused of being less enterprising than some, the Harrogate Festival owes its success to the unexceptionable fact that it pursues excellence: as was evident in the two celebrity concerts that were its first major musical events this year. On August 3 Pinchas Zukerman and Marc Neikrug gave a Beethoven recital delicately attuned to the Harrogate aura, for their performances were supremely civilised in presenting some of Beethoven's ostensibly least subversive music. The classical sonata, being initially harmonic and rhythmic rather than melodic in impetus, was not naturally empathetic to the genius of the violin: which is why the early sonatas of Haydn make sense if played as piano solos, with a violin accompaniment added in case a sociable fiddler happens to be at hand. Even Beethoven's early violin sonatas are described as being "for piano and violin," and are less characteristically aggressive than his piano music of the same date. The Beethovenian qualities of his opus 12—of which Zukerman played no. 2 in A major—consist in their ironic modulations and in the pawky wit of their rhythmic surprises: yet they preserve aristocratic elegance in the spare keyboard texture that Beethoven considers a fitting complement to violin tone, and they include no real slow movement, no rhetorical outbursts of passion. His opus 12 remains domestic entertainment music of highly individual distinction, whereas his opus 13, the Patétique Sonata, is a call to arms.

Even the larger-scaled F major sonata, opus 24, is still domestic. It respects the soul of the violin in that its themes are often song-like, flowing in lyrical arches, accompanied by simple Alberti basses. Yet after the violin has sung the first vernal theme, the piano repeats it, decorated, while the fiddle provides the arpeggiated accompaniment. Moreover, though the tunes are song-like, they are not baroquely heroic but have a popular flavour that eschews aristocratic pretention: and the developments, through thin textures and sprightly rhythms, often debunk songfulness in that modulations are abrupt, metres dislocated, and lyrical semiquavers turn into near-hilarious trills. Even the slow movement, an aria da capo of transcendent loveliness, is juxtaposed with a gossamer-textured scherzo, with its risible metrical displacements: while the rondo, though songful, is still more demotic in tone than the first movement, and pungently dramatic in its modulatory capers. Zukerman's clean, radiant tone and Neikrug's lucid if not always accurately synchronised pianism were well adjusted to this music: perhaps a bit too well, for I missed the passionate sense of startlement that should be latent even within Beethoven's most civilised music—a sense miraculously evident in a performance of the Spring sonata I recently heard by Menuhin and Kentner: in which the slow movement indeed carried us "out of this world," only to return us, in the finale, to an earth more warmly loving, yet never cosily predictable. After the interval Zukerman and Neikrug approached closer to the heart of Beethoven's last violin sonata, opus 96, composed when his style was in transition to the linearity of his last years. The sublime hymnic aria which is the slow movement seemed an inevitable fulfilment of the trill-garlanded lyricism of the first movement, and the trenchant wit of the scherzo prepared the way for the Edenically folk-like innocence of the finale. The return from the seraphic adagio variation to the original perkily popular tune (in the wrong key!) was exquisitely handled: the ultimate diaphanous presto made manifest how, in Blake's phrase, "He who catches a joy as it flies Lives in Eternity's sunrise."

Alicia de Larrocha's piano recital on August 1 also fully flowered only in its second half. If the first part surprisingly sounded a little bland, that was the fault of the music, not the pianist. The finely incisive Soler sonatas, though far from bland intrinsically, are inevitably emasculated in being translated from plangent harpsichord to mellifluous piano; and de Falla's piano music (though it was interesting to hear the rarely performed *Fantasia Baetica*) no longer seems to have enough intrinsic musical vitality to sustain nearly half a programme. After the interval one heard why: Granados's *Goyescas* use their superbly virtuoso pianism in the interests of haunting, marvellously shaped tunes, supported and given direction by the ripe chromatic harmonies; while Albeniz's *Iberia* effaces picture-postcard Spain in evoking its ancient Moorish melancholy and its flamenco violence by means of pianistic pyrotechnics that amount, whatever his superficial debt to Ravel, to an ab-original idiom. This is a phenomenon as mysterious as it is rare; and de Larrocha's performances of this in several senses breath-taking music have become internationally celebrated. As the guitar-inspired unresolved appoggiaturas and acciaccaturas wove their darkly dangerous as well as seductive spell, even the genteel opulence of Harrogate's Royal Hall succumbed. There are moments when one suspects that this music, as played by de Larrocha, makes most other "Spanish" music unnecessary.

The Gambler

BY MICHAEL COVENEY

In retrospect, the Edinburgh Festival fringe of 1977 was a good one. The Hampstead Theatre obviously thinks so as, in addition to reviving John Byrne's *Writer's Cramp* at Swiss Cottage, they now offer solace to TV-shy pensioners at the Bull and Gate in Kentish Town in the shape of a new cabaret from Smith and Goody, who first co-operated at the Traverse in the same year.

Mel Smith is now part of the BBC's *Not The Nine O'Clock News*, but his sadistic hold over Bob Goody, first manifest playing agent to a seedy comedian, is no whit abated. Gambling in my life extends to supporting easy odds on horses that are low risk failures in the Grand National. I doubled my money on The Pilgarlic, backed each way, last year. But this ambitious and extremely effective two-hander not only captures what I imagine to be the authentic smell of risking your shirt; it also asserts the umbilical relationship between bookie and punter, huckster and sucker. It is an absolutely enchanting revue-form spree about the leader and the led as the prices shorten and the risks lengthen.

You acquire also the sense of betting as an epidemic among people dying to be sacrificed on the altar of false hope. Mel Smith, fat and threatening, leads Bob Goody, tall and trembling, by the impressionable nose. The duo conspires to establish a deadly relationship at the same time as asserting dependent roles within it. As the stakes rise, the terms of reference contract from the race track to the greyhound stadium and finally the green baize. Even Goody's parking comes up for grabs—what is the registration, is the car actually there?

The whole show is wrapped up in some marvellous music played at the piano by Peter Brewis, and stands up as the most inventive sort of contemporary cabaret. Goody turns out to be a winner who has just been unlucky. Smith, with a nonchalant shake of his lank locks, is the ringmaster, the spy and the victor. Goody parodies Frank Sinatra: "I've sort of done things" he warbles, not so much his way as theirs. What terrible slavery the punter must endure. What wonderful entertainment is extracted from this informed and well-sustained look at the price he pays.

Arts Council theatre directors' bursaries

The Arts Council has made 11 awards to directors to enable them to further or continue their training in the professional theatre. Seven of the awards go to trainee directors, and four to associate directors who will be working with companies by whom they are sponsored.

The trainees directors are: Romy Baskerville who will work at the Duke's Playhouse, Lancaster; Anthony Clark at the Orange Tree Theatre in Richmond; Janet Goddard at the Liverpool Playhouse; Nick Hamm at the Half Moon Theatre, London; Geoff Hannan with the Second City Theatre Company, Birmingham; Rebecca Meitlis and Alison Sutcliffe.

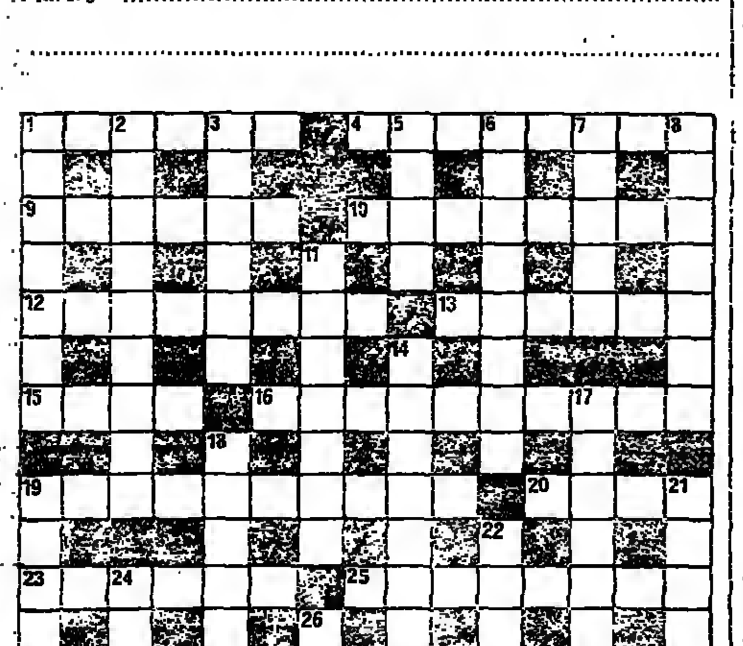
F.T. CROSSWORD PUZZLE No. 4,350

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



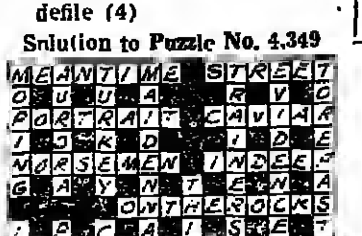
ACROSS

1 Mouth allowed in cup (6)
4 Drink and clothing used to warm one in bed (8)
9 100,000 rupees essential for a footman (6)
10 Driver to instruct a husband (8)
12 Finished part of plant on the other side (8)
13 Emphatic type from European country (6)
15 Ingenuous and fain would change (4)
16 Pointed to telegram that's defensively obstructive (6-4)
19 Is it possible, before going down, to be illuminating? (10)
20 Keen airman I had to follow (4)
23 Mute spoilsport (6)
25 Dog going to railway could be mine (8)
27 Type of blind Italian citizen (8)
28 Leave waste (6)
29 Humanitarian organisation making anarchist peevish (3, 5)
30 Look closely around street and annoy persistently (6)

DOWN

1 Northern girl left nought on but a bit of lace (7)
2 Camel encircling Egyptian leader is infectious (9)
3 Smoothly putting arch-deacon's title in cathedral (6)
5 Image I study (4)
6 Joint of meat wrongly tied for festival (4-4)
7 Animal arrived and left (5)
8 Face pain in a grand manner (7)
11 State with open border (7)
14 Leave a group of musicians playing (7)
17 Increase in mortar that's about right (9)
18 One who left the country in fault before (8)
19 Body making scoundrel declare positively (7)
21 Times sailor may be seen in the sun (3-4)
22 Wherein a member may be found a record holder (6)
24 Unit taking nomad astray (5)
26 Come through a narrow defile (4)

Solution to Puzzle No. 4,349



هكذا من الأهل

TV/Radio

BBC 1

† Indicates programme in black and white

7.15-8.30 am Open University (Ultra high frequency only). 9.10 The Banana Splits. 9.40 The Flashing Blade. 10.00 Athlete. 10.25 The New Adventures of Batman. 10.45 Tweety Pie in "I Taw a Putty Tat." †10.55 Abbott and Costello in "The Time of Their Lives." †12.15 pm So You Want to Keep Your Hair? 12.27 Weatherman.

12.30 Grandstand: Football Focus (12.35); Eventing (1.15, 2.05, 2.35, 3.35, 4.10) The Midland Bank Horse Trials; Racing from Newbury (1.50, 2.20, 2.50, 3.20); Athletics from Crystal Palace (3.05, 3.55, 4.30) The Sunsilk WAAA Championships; 3.50 Half-time Football Scores; 4.40 Final Score.

5.05 News.
5.15 Sport/Regional News.
5.20 Cliff Richard in "Wonderful Life."
7.10 It's a Knockout.
8.25 The Martian Chronicles.
10.00 News and Sport.
10.15 The Saturday Film: "Serpico" starring Al Pacino.
11.45 Horror Double Bill: "Legend of the Werewolf" starring Peter Cushing.

All Regions as BBC1 except as follows:

BBC Cymru/Wales—5.15-5.20 pm Sports News Wales. 12.20 am News and Weather for Wales.

Scotland—4.55-5.05 pm Scoreboard. 5.15-5.20 Scoreboard. 12.20 am News and Weather for Scotland.

Northern Ireland—4.55-5.05 pm Scoreboard. 5.15-5.20 Northern Ireland News, Sport. 12.20 am News and Weather for Northern Ireland.

England—5.15-5.20 pm (South-West only) Sport Spotlight.

BBC2 Northern Ireland only—2.45-5.20 pm Golf: The Carroll's Irish Open at Portmarnock Golf Club, Co. Dublin.

BBC 2

7.40 am-2.45 pm Open University.
3.30 Saturday Cinema: "Helen of Troy" starring Rossana Podestra.
5.20 Hawaii Revisited with James Michener.
6.20 Building for Change.
6.55 News and Sport.
7.10 Dallas.
7.35 Return to Brass Tacks.
8.05 Nine Lives.
9.00 The Hoog Koog Beat.
9.30 Diamonds in the Sky.
†10.20 Horror Double Bill: "The Bat" starring Vincent Price.
11.40 News on 2.

LONDON

8.40 am Sesame Street. 9.40 Fangface. 10.05 Space Academy. 10.30 Fun Factory.

12.30 pm World of Sport: 12.35 On the Ball; 1.00 International Sports Special (Part 1, Sport and the Cinema; 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Wolverhampton; 1.45, 2.15 and 2.45 from Ripon; 3.10 International Sports Special (Part 2); Speedway—Berger Grand Prix Final from Wimbledon Stadium; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.

5.05 News.
5.15 Cartoon Time.
5.30 Return of the Saint.
6.30 The Crowther Collection.
7.00 240-Robert.
8.00 Sale of the Century.
8.30 From Here to Eternity.
9.30 News.
9.45 Tales of the Unexpected.
10.15 The Big Match presented by Brian Moore with Jim Rosenthal.
11.30 Dudley Moore in Concert.
12.30 am Close: Readings in the Muslim traditions with Charles Eaton.

All IBA Regions as London except at the following times:

ANGLIA

9.20 am Fantasy Island. 10.10 Fangface. 7.00 pm The Incredible Hulk. 10.15 Match of the Week: Saturday night soccer spectacular presented by Steve Rider with match commentary and analysis from Gerry Harrison. 11.15 Steps, Noises and Squeaks. 12.15 am At the End of the Day.

ATV

9.10 am Treasures in Store. 9.35 Home Produced. 10.00 Bailey's Bird. 5.15 pm The Great Cartoon Stars. 7.05 BJ and the Bear. 10.15 Star Soccer. 11.30 The Late Movie: "The Love Ban" starring Hywel Bennett and Nanette Newman.

BORDER

9.10 am Treasures in Store. 9.35 Home Produced. 10.00 The Beachcombers. 5.15 pm Great Cartoon Stars. 7.05 BJ and the Bear. 10.15 Shoot. 11.25 Paris.

CHANNEL

5.15 pm Puffin's Pla(i)ce. 7.05 B.J. and the Bear. 11.30 The Poetry of Landscape. 11.45 Celebrity Concert.

GRAMPIAN

9.30 am The Lost Islands. 10.00 Superman. 5.15 pm Popeye. 7.05 Chips. 10.15 Scotsport. 11.30 Reflections. 11.35 Musical Special ("Guitars").

GRANADA

9.30 am Treasures in Store. 10.00 Cartoon. 10.05 Batman. 5.15 pm Spiderman. 7.05 Beyond Westworld. 10.15 Match Night. †11.30 The Hollywood Thriller.

HTV

9.10 am Home Produced. 9.35 Ark. 10.05 Batman. 5.15 pm Spiderman. 7.05 pm Chips. 11.30 Vegas.

HTV Cymru/Wales—As HTV West HTV General Service except: 6.35-7.05 pm Sion a Sian.

SCOTTISH

9.10 am Treasures in Store. 9.55 Tarzan. 5.15 pm Hear Here. 7.05 Chips. 10.15 Scotsport. 11.30 Late Call. 11.35 S.W.A.T.

SOUTHERN

9.00 am Sesame Street. 10.00 Beachcombers. 10.27 Regional Weather Forecast. 7.00 pm The Incredible Hulk. 11.30 Southern News. 11.35 Have Gun Will Travel.

TYNE TEES

9.00 Tarzan. 9.45 Saturday Morning Movie: "Duel at Diablo" starring Sidney Poitier and James Garner. 11.25 240 Robert. 5.15 pm Dick Tracey. 7.00 Chips. 10.15 Shoot. 11.25 "The Vampire Lovers" starring Ingrid Pitt and Peter Cushing. 12.40 am Poet's Corner.

ULSTER

9.35 am Treasures in Store. 10.00 Bailey's Bird. 5.15 pm Great Cartoon Stars. 7.00 B.J. and the Bear. 9.44 Ulster Weather. 11.30 Sports Results. 11.35 George Hamilton IV.

WESTWARD

9.30 am Spiderman. 9.55 Look and See. 10.00 Alright Now. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.15 Westward News and Scoreline. 5.19 Cartoontime. 7.05 B.J. and the Bear. 11.30 The West Tonight. 11.45 Celebrity Concert (Al Martino). 12.40 am Faith for Life. 12.45 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Fantastic Four. 7.00 pm Chips. 10.15 The Big Game. 11.30 S.W.A.T.

(S) Stereophonic broadcast.

RADIO 1

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 Steve Wright (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Rock on Saturday (S). 7.30-6.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.05 David Jacobs with Star Sounds (S). 10.02 Pete Murray's Saturday Show (S). 1.02 pm The Impressionists. 1.30 Sport on 2: Football Special (1.30, 2.00, 2.45, 3.15, 3.45, 3.55, 4.45); Racing from Newbury, Cricket: Australia v. Lancashire; Schweppes County Championship; 5.00 Classified Soccer results. 5.45 Racing results. 5.50 Latecomers' Soccer check, plus news of Motor Racing (Austrian Grand Prix); Golf (Irish Open); and Athletics (Women's AAA Championships). 6.03 European Pop Jury. 7.02 Three in a Row. 7.30 Sports Desk. 7.33 Big Band Special (S). 10.02 The King's Collection with The King's Singers (S). 10.30 Band Parade (S). 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (S), including 12.00 News. 2.02-6.00 am You and the Night and the Music (S).

RADIO 3

†7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Stereo Release (S). 11.15 Bandstand (S). 11.45 I Know What I Like: Felix Aprahamian with records (S). 1.00 pm News. 1.05 London Philharmonic Orchestra concert, part 1 (S). 2.00 Interval Reading. 2.10 Concert Part 2 (S). 2.50 Purcell sacred and secular songs (S). 3.25 Piano Duets at Perth (S): Recital from 1980 Perth Festival, Part 1. 4.10 Interval Reading. 4.15 Recital, part 2. 5.00 Jazz Record Requests (S). 5.45 Friendship and Fellowship. Rachel Trickett, novelist, talks to Alastair Hetherington. 6.30 Haydn (S). 6.50 The Organ Works of J. S. Bach (S). 7.30 Proms "Robinson Crusoe," opera by Offenbach, Act 1 (S). 8.20 The Festival Scene (Bernard Levin reports from Salzburg). 8.40 Proms Robinson Crusoe, Act 2 (S). 9.35 Houses (Poetry reading). 9.55 Proms Robinson Crusoe, Act 3 (S). 10.30 The Snowwatcher (short story by Patricia Highsmith). 11.00 News. 11.05-11.15 Homage to Rameau (S).

VHF only—Open University—6.00-8.00 am and for students in Radio Scotland and Radio Cymru areas only: 12.00-1.00 a.m.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Breakaway, including 8.59 Continental Travel. 9.00 News. 9.50 News Stand. 10.05 Talking Politics. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Keeping Track (S). 12.27 The News Quiz (S). 12.55 Weather; programme news. 1.00 News. 1.10 Something to Declare. 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 A Dance to the Music of Time by Anthony Powell. 3.25 Join Radio 3. 5.00 Poetry at Large. 5.25 Injury Time. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News, continental travel. 6.15 Desert Island Discs with Stephen Sondheim. 6.55 A World in Edgeways. 7.25 Peter Butterworth with records (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 The Seaside in Summer. 11.00 Lighten our Darkness. 11.15 Submarine (S). 12.00 News.

TV RATINGS W/e August 10

UK TOP 20

1	Coronation St. (Wed) (Gran.)	12.85
2	Hart to Hart (ITV)	12.30
3	Coronation St. (Mon) (Gran.)	11.90
4	Crossroads (Wed.) (ATV)	11.75
5	Nine O'clock News (Fri) (BBC)	11.55
6	Last of the Summer Wine (BBC)	11.45
7	Starsky and Hutch (BBC)	11.40
8	Robin's Nest (not SW) (Thames)	11.15
9	Athletics (Fri) (BBC)	11.00
10	Kiss and Tell (Thames)	10.70
11	News at Ten (Mon) (ITN)	10.25
12	Main News (Mon.) (BBC)	10.05
	Lady Killers (Gran.)	10.05
14	Nine O'clock News (Wed) (BBC)	9.85
15	Crossroads (not Lancs.) (Tue) (ATV)	9.80
	Jeux Sans Frontières (BBC)	9.80
	Martian Chronicles (BBC)	9.80
18	Good Old Days (BBC)	9.70
19	Winner Takes All (Yorks)	9.65
20	Grundy (Thames)	9.55

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

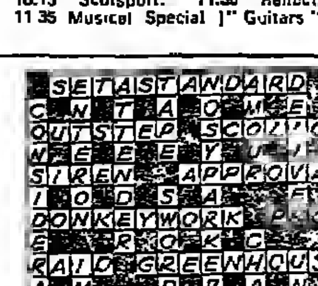
1	Barbara Walters (chat show) (ABC)	21.6
2	Three's Company (comedy) (ABC)	20.5
3	20-20 (magazine) (ABC)	20.3
4	Dallas (drama) (CBS)	20.3
5	Taxi (comedy) (ABC)	19.7
6	60 Minutes (news) (CBS)	18.1
7	Dukes of Hazzard (comedy) (CBS)	18.0
8	Vegas (drama) (ABC)	17.8
9	Jeffersons (comedy) (CBS)	17.7
10	The Big Event (film) (NBC)	17.4

SOLUTION AND WINNERS OF PUZZLE NO. 4,344

Mrs. R. Abrahamson, 277 Beverley Road, Kirkella, Hull.

Mr. R. H. Duke, c/o Flat 1, No. 4 The Beacon, Exmouth, South Devon.

Mrs. Sykes, Coltmans, Waltham-St-Lawrence, Reading, Berks.



CHESS SOLUTIONS

Solution to Position No. 333

1 R-KT! QxQ (if QxR; 2 B-K6 ch wins the queen or mates by 2 . . . K-B1; 3 Q-R8); 2 B-K6 ch! K-B1; 3 R-B7 ch, K-N1; 4 RxQNP dis ch, K-B1; 5 NxP mate.

Solution to Problem No. 333

1 R-KR1 (waiting). If 1 . . . K-B7; 2 R-B4 ch, and if 2 . . . K-Q7; 3 R-B6, K-K7; 4 R-B2, or if here 2 . . . K-N7; 3 N-N4, P-Q7; 4 R-B2. If 1 . . . K-K7; 2 R-K4 ch, and if 2 . . . K-Q7; 3 B-B5, K-B7; 4 R-K2, or if 2 . . . K-B7; 3 N-B4, P-Q7; 4 R-K2.

COLLECTING/LEISURE

The year of Wedgwood

BY JANET MARSH

AMONG THE numerous excellent recently published books on pottery and porcelain, very few actually contain specific advice to the collector. One that does is Geoffrey Wills' *Wedgwood* (Country Life Books £7), which warns, among other things, that it is best to look upon a mark on any kind of chinaware as no more than a confirmation of other signs, and to consider these with care."

The characteristics of the best pieces are more important, and he explains that for basaltes, jasper and other dry bodies such as caneware and *rosso antico* (literally antique red, an unglazed red stoneware commonly produced in Staffordshire): "The most obvious sign is the high quality of finish, with every detail rendered clearly even when a relief is on a small scale. In successive decades the sharpness is likely to have diminished.

Mr. Wills goes on to point out that "to the finger an old piece has been described as having a wax-like feel, which has the resistance of velvet without being woolly," whereas later ones are quite different to the touch and the white reliefs have a dry chalky appearance.

This is the year of Wedgwood, last month marking the 250th anniversary of the birth of Josiah Wedgwood (1730-1795), potter of talent and distinction, scientist, writer and humanitarian. To commemorate the event, various publications have been produced or re-issued.

Most Wedgwood enthusiasts would like a copy of *The Life of Josiah Wedgwood* (Hurst and Blackett 1865-66), by Eliza Meteyard, but there are very few sets in existence today. Now a complete two-volume facsimile has been produced in a limited edition of 1,000 by the Scolar Press, on sale exclusively at Gered's the specialist china shop, 173-174 Piccadilly, London, W.1, and 158 Regent Street, W1, £35 inclusive of slip case and postage. (Order form and free prospectus from Judith Turner, Wedgwood Group press officer, 34 Wigmore Street, London, W1.

Elizabeth Meteyard was born in Liverpool, the daughter of a surgeon, some of whose patients "were two or three who had known him personally; a descendant of his schoolmaster lived a stone's throw from our door."

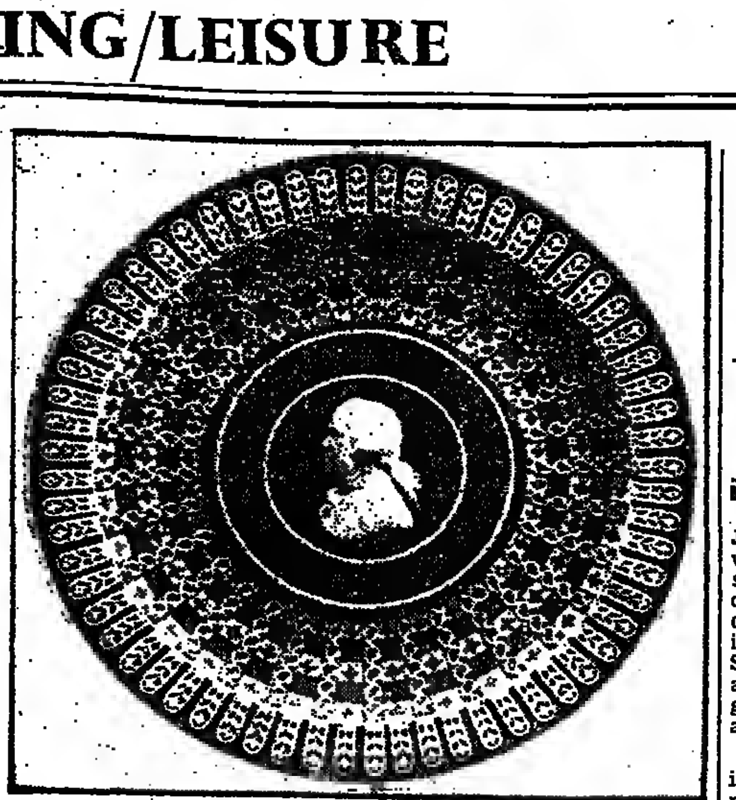
A novelist and writer of children's books, she had her marathon work in mind for 15 years, as a tribute to "the great potter (who) enriched the tables of our countrywomen with ware of every kind, decorated their rooms with flower-pots, bas-reliefs, and vases, end their persons with the loveliest of ornaments . . ."

Wolf Mankowitz has written an appreciation of this "good-looking, cheerful and rather conversational lady," in the prospectus for the book. His own splendid work, *Wedgwood*, first published in 1953, has just gone into its third edition (Barrie and Jenkins, £25).

Another *tour-de-force* for the collector is Robin Reilly's and George Savage's *The Dictionary of Wedgwood* (The Antique Collectors' Club £25). The authors' guiding principle has been to provide information on 18th, 19th and 20th-century wares, presented in such a way that those faced with problems of attribution can make an assessment of authenticity, date, nature and source of subject, artist and designer.

For personal documentation *The Wedgwood Circle 1730-1897—Four Generations of a Family and Their Friends* (Studio Vista £9.95), by Barbara and Hensleigh Wedgwood (he is a great-great-great grandson of Josiah Wedgwood), includes a family tree, so sadly lacking in many reference works.

The composite biography gives the rags-to-riches story of the ambitious young man who won a place in the circle of savants and inventors. The Lunar Society, to which Darwin, Dr. Joseph Priestly, James Watt and his partner Matthew Boulton and other such learned men belonged, attracting the nickname "Lunaticks." Josiah was a guest at their meetings in Birmingham where they met monthly at each other's houses when the moon was full.



Jasper diced plate featuring a 1773 portrait of Josiah Wedgwood, produced in a limited edition of 250, in Harrods Knightsbridge "China and Glass Exhibition" until September 5

Wedgwood's year is marked by an attractive exhibition, *Wedgwood of Etruria and Barlaston* at the newly opened City Museum and Art Gallery, Hanley, Stoke-on-Trent. The displays attempt to compare facets of the Wedgwood company during the 18th and this century, showing 20th-century material never before considered in a historical context, such as the black basalt figures of the 1920s, and the novel jasper-heels on a pair of dancing sandals, made last year for Rayne.

The exhibition goes on until September 27, open Monday to Saturday 10.30 am-5.00 pm, until 8.00 pm on Wednesdays. Catalogue, £4.50 plus 50p postage, from the exhibition organiser Kathy Niblett, assistant keeper of ceramics at the museum. At Harrods Knightsbridge annual China and Glass Exhibition until September 5, the central display is devoted to Wedgwood.

Geoffrey A. Godden's latest authoritative work, *Godden's Guide to Mason's China And The Ironstone Wares*, also published by The Antique Collectors' Club (£17.50), is a revised and enlarged edition of the book first published in 1971 by Barrie and Jenkins.

Sections have been re-written to take into account new information and the book is appropriate to the Wedgwood scene as in 1810 Miles Mason offered to make porcelain for sale in Wedgwood's London showroom, and Mason's Ironstone is now a division of Wedgwood.

Another chapter in a legend

GOLF

BEN WRIGHT

JACK NICKLAUS'S magnificent victory by a record seven strokes in the 62nd U.S. PGA championship over the East course of Oak Hill Country Club in Rochester upper New York State last Sunday evening was as deeply satisfying to the greatest golfer of modern times as it was clinically anti-climatic.

In the U.S. Open at Baltusrol in mid-June Nicklaus had proved his ability as a front runner in his emotional comeback from the edge of oblivion—largely of his own making—as he became, in the well chosen words of the veteran Puerto Rican professional Chi Chi Rodriguez "a legend in his spare time."

In the U.S. PGA championship Nicklaus set up his victory in the classical manner, by producing a brilliant third round of 66 on what is known in the business as "moving day," and then defying his rivals to come and take away the title from him. Any world class professional knows how difficult it can be to protect a lead without getting pewky and, on as difficult a course as the wonderful Oak Hill, a big, sudden turn of fortune's wheel can occur in a matter of minutes.

Nicklaus himself had demonstrated that in the ominously dark and lengthening shadows of Saturday evening's sunset. Then it was that Nicklaus's massive lead over Lon Hinkle of seven with four holes to play dwindled to a precious three.

In fact, Nicklaus was very fortunate that the swing was not even more dramatic in that his drive bounced on the top of the pallings of the 4 foot high snow fence that marks out of bounds on the left of the dead straight 440 yards 18th hole, and came back—not only into play—but into a playable position.

Likewise the great man's horrible tee-shot at the dogleg to the right 452 yards 18th hole was lucky to have bounced out of the dense pine grove to the left of the fairway into another sympathetic lie away from perhaps the deepest area of rough on the East course.

Just as surely, however, Hinkle's self-admitted "eyes shut and hope" six iron second shot from the thickest rough to the right of the fairway at the 458 yard 17th hole was a miraculous stroke. It left its mystified perpetrator with a huge plod of turf clinging to the blade of his club and set up the most unlikely birdie.

Nicklaus had hit a terrible first putt nowhere near the hole at the 15th, but those he sank to get out of jail at the 16th, 17th and 18th could hardly have been improved upon for their timing, courage and magical touch. Never has the time honoured cliche about fortune favouring the brave been more suited to the occasion.

In all the years I have been watching Nicklaus since the Walker Cup match at Muirfield in May, 1959, I do not think I have ever seen him play better than he did last Sunday afternoon in view of the circumstances. His opening six pars were rock solid. He played an exquisite recovery from the left-hand bunker after hooking his drive at the 432 yards 7th hole to save his par as Hinkle dropped his third stroke of the round from the same hazard. After Hinkle had holed out from fully 40 feet for a birdie at the eighth, Nicklaus, whose drive had been deeply bunkered, followed suit to save his par from over 30 feet.

After runner-up Andy Bean had dropped his second stroke to par at the tenth hole to offset two previous birdies, Nicklaus—in the heat of the moment—stole the honour from Hinkle and played a lovely four-iron shot six feet from the hole at the 195 yard 11th, the first time he had abandoned his wisely conservative tactics of playing for the centre of the greens.

In went the putt, as did a 15-footer for a second birdie at the 596 yard 13th and now not even the new record margin of victory was any longer in doubt.

As a historian as well as a history-maker Nicklaus was delighted to have equalled Walter Hagen's record of five U.S. PGA championship victories in the latter's home town.

So what is left to stimulate Nicklaus' competitive drive after 19 major championship victories including a record five Masters titles, a record equalling four U.S. Opens and three Open Championship triumphs? Most of all Nicklaus wants to win the U.S. Open at Merion in 1981 ten years after he lost an epic play-off for the title there against Lee Trevino who had also beaten him into second place in the 1968 U.S. Open at Oak Hill.

For the statistically minded Nicklaus's record is truly mind boggling. In 19 U.S. PGA championships he has won five times, finished second on three occasions, third three times, fourth and sixth once each. He has just twice missed the cut and only on four other occasions finished outside the top ten.

In all the major events he has won 19, been second 16 times, and third 9 times—a total of 44 top three finishes. In addition he has finished in the top ten 59 times. He has never missed the cut in our Open.

His 32nd piece tie at his first attempt at Troon, and 12th place tie at Royal Birkdale three years later in 1965 being the only two occasions on which he has finished outside the top six in 18 years.

Hugh Routledge

Jack Nicklaus

In the U.S. Open he missed the cut but once as defending champion in 1963, his first professional victory having been in the 1962 U.S. Open.

In the Masters he also missed the cut but once in 1967 having won the tournament for the two previous years. In the four major events he has only 17 times finished outside the top ten in those 18 years, during which period he has won 86 events around the world.

No, he is not the greatest golfer, of modern times—but of all time.

Conserving our wild flowers

GARDENING

ARTHUR HELLYER

CONSERVATION is an emotive subject which encourages people to adopt extreme positions or take action without adequate understanding of the complexities of the cause they have espoused.

My present anxiety is caused by a circular I have received from the Manpower Services Commission about a scheme for spreading wild flowers along the verges of Britain's highways, a project with which I have great sympathy but which I believe requires the most skilful management if it is to have any worthwhile result.

The circular does not inspire that kind of confidence. It starts with the rhetorical statement that traffic roundabouts and roadside verges could boast a riot of colourful cowslips, buttercups, field poppies and oxeye daisies rather than regimented lines of municipal striped petunias, which leaves one wondering whether the writer has ever strayed outside a city and seen what the countryside is really like.

It is unlikely that municipal striped petunias will extend far into suburbia let alone to the verges of motorways and the first and second class roads which the handout proceeds to designate as the main beneficiaries of the scheme.

Well, maybe I ought not to worry too much about that. Probably the writer is a public relations man in search of a striking phrase to catch attention. I am far more troubled by a later statement that it is important to begin wild flower conservation off site (as well as on site) before the species become rare enough to make seed collection undesirable.

Is it really envisaged that hordes of collectors should be let loose to gather seeds of wild plants in places where they are growing successfully so that they may be scattered indiscriminately along verges and over roundabouts? I sincerely hope not.

However, this is an ambiguous circular as well as, in places, a rather silly one. What it really seems to be trying to tell its readers is that the Hon. Mrs. Miriam Lane is experimenting in the cultivation of wild plants for seed production on her Ashton Wold Estate near Oundle.

Five hundred acres of the estate, we are told, form a nature reserve and on another 200 acres conservation is given priority over agriculture.

There is mention of a field of cowslips grown in rows, one presumes for the purpose of producing a seed crop though this is not specifically stated. If something like his, rather than the gathering of seeds from wild plants, is really what is intended one can give wholehearted approval so far, though whether the seeds should finish up on verges and roundabouts is another matter.

Those that would be likely to survive there would be of the species least likely to be in need of conservation. Mostly they would be the regular roadside weeds that are well adapted to live in such places and have no special soil or climatic requirements.

Even if some of the more choosy plants could be persuaded to extend their normal habitats would this be a good thing? Botanists, at least, might be annoyed to find their distribution maps becoming hopelessly confused.

Yet the fact that road verges are natural conservation areas is well understood. After all it is where most of us did much of our childhood botanising, learning such very basic facts that some plants favour one side of the road and some the other for the very simple reason that one is warm and sunny and the other cool and shady.

We also learned that the flora changes with the soil types produced by our incredibly varied geological formations. A short journey up a hillside might provide several such variations, maybe a stiff clay at the bottom, a friable greensand a little way up, followed by chalk or limestone and, with a little luck, a cap of acid peat at the top. A hill like that could provide four quite different floras and send one home with a vasculum packed with interesting specimens.

I suspect that Mrs Lane knows all these things and much else besides and that she is being badly served by the man from the ministry. For my circular came from the Manpower Services Commission because Mrs. Lane had applied for and been granted aid by that body through its Special Temporary Employment Programme.

At the moment this seems to extend only to the help of a horticulturist and a botanist who will identify wild flowers accurately, collect seed and work in the fields. Both hope that the experience they gain will later help them to find more permanent employment, and in this one must wish them every success.

However, it does appear that Mrs. Lane's aims are considerably more ambitious. She hopes that her initiative will result in the establishment of a new cottage industry, with villagers in Ashton and the surrounding area growing wild flowers for seed which will then be sold commercially.

She says she has already received inquiries from some seed companies and there is no doubt that there is an increasing interest in the cultivation of British wild plants. A display of flowers and plants was staged a few weeks ago at a Royal Horticultural Society show in London and attracted a great deal of attention and favourable comment, though I suspect that most of this came from people who were contemplating the possibility of growing some wild plants in their own gardens rather than broadcasting their seeds along the roads.

Gardens of wild plants are not new and they can be both beautiful and fascinating. I visited one in Kent only a few weeks ago, made on a hillside in old woodland sufficiently thinned to make sites for the sun lovers as well as the shade lovers. It was quite incredibly lovely and had been planted and cared for with great skill and understanding.

Such gardens can become valuable repositories of scarce or endangered plants in which they can be properly cared for and from which material for recolonisation in the right surroundings can be obtained if and when it is required.

Weather wait

RACING

DOMINIC WIGAN

WITH sunnier weather forecast there are good prospects of racing going ahead at Newbury today where a brisk drying wind improved conditions throughout yesterday.

The seven race card on the Berkshire course includes the Hungerford Stakes carried forward from yesterday in which Skyliner is now an absentee.

The other main event scheduled is the Group Two Geoffrey Freer Stakes over a mile and five furlongs. Here the race has lost some of its interest through the withdrawals of both the one-time St. Leger favourite, Saviour and More Light. The course winner, Nicholas Bill, will stay every inch of this exacting course and he is preferred to Ireland's representative, Noelino.

Whatever the fate of Newbury racegoers and television viewers alike, will be able to see some smart performers in action for Ripon stages that always competitive sprint, the Great St. Wilfred Handicap. Here I expect a bold showing from both Sparkling Boy and Tribal Eye.

NEWBURY
2.00—Honey Barron*
2.30—Nicholas Bill
3.00—Hereas
3.30—Hard Fought
4.00—Pellegrini
4.30—Winsor Boy
5.00—Super Run

RIPON
1.45—Love For Money
2.15—Caroline Lamb
2.45—Tribal Eye***
3.15—Joint Merey
3.45—Rag Dancer
4.15—Count Fernando**

BRIDGE

E. P. C. COTTER

THE HAND we are going to discuss today occurred in a Championship Pairs event some years ago, and the play at two of the tables makes very interesting reading. East was the dealer with neither side vulnerable—this is what happened at one table.

	♠ K 6 4 ♡ A 10 ◇ K J 4 3 ♣ J 8 6 5	
♠ J 7 5 3 2 ♡ J 9 8 ◇ 10 2 ♣ K Q 2		♠ A 9 8 ♡ 8 5 4 2 ◇ Q 9 7 5 ♣ 10 3
	♠ Q 10 ♡ K Q 7 3 ◇ A 8 6 ♣ A 9 7 4	

After a pass from the dealer South opened the bidding with one no trump, and North's raise to three no trumps concluded the auction. West chose as his opening lead the three of spades, dummy played low, East produced the eight, and the ten won. With two spade tricks ensured by the lead, three hearts, two diamonds, and a club, the declarer had several chances for the ninth.

At trick two he led the club four from hand. West won with the Queen and returned the two of spades. East won with the Ace, and his spade return cleared his partner's suit. South crossed to hand via the diamond Ace, and then finessed the diamond Knave, losing to the Queen. East returned the nine of diamonds, setting up another trick for the defence.

At this point South's prospects were far from bright, but he crossed to hand with a club to his Ace, led a low heart, and finessed the ten on the table. When this held, he cashed the Ace, and hoping that East had started with a 3-4-4-2 pattern he put East in with a diamond. With only hearts in his hand, East had to give the declarer access to his hand and allow him to enjoy the King and Queen of hearts for his contract.

The declarer's decision to lead a club to the table at the second trick cannot be criticised, but his decision to try the diamond finesse rather than the heart finesse is open to question. However, he got out of trouble by the throw-in play in diamonds.

At the second table North-South again reached a three no trump contract with South as declarer. West's opening lead was once again the three of spades, but on this occasion East took his Ace at once and returned the nine.

In with the Queen, the declarer led a low club towards the table and, as before, West won with the Queen and led another spade to force out dummy's King. On this trick South discarded his six diamonds, which was a mistake—a club is surely better. Coming to hand with a club to his Ace, South led a heart, finessed the ten and cashed the Ace, and then returned to his diamond Ace to cash his two heart honours, throwing clubs from the table.

West had thrown a diamond on the fourth heart, and his hand was now open to a complete count. South led the diamond eight and ducked in dummy, but the East player shrewdly allowed the eight to hold, thus leaving the declarer with in own hand and forcing him to surrender the last two tricks to West.

You may think that the declarer could have made an invaluable overtrick if he had thrown the eight of diamonds instead of the six, but an East who was really concentrating would have played his diamond seven instead of the five on the first round, and again avoided the endplay.

On the other hand, if South had thrown a club and kept both his diamonds, East would have been powerless to prevent him from making a tenth trick, which would have been worth its weight in gold.

Of course, the contract of three no trumps is not on ice, but the second declarer was much more in command than the first, who must have felt that he was going to be defeated.

CHESS

LEONARD BARDEN

ENGLISH SUCCESSES continued last month in the two largest opens of the year, staged in London and Philadelphia. The National Bank of Dubai Open at the West Centre, Earls Court, and the World Open at the Sheraton, Philadelphia, attracted nearly 1,000 players.

Eight grandmasters took part in the U.S. event while two GMs and a dozen IMs were in London.

Wide differences in ability (for "open" in this context really means open to the humble novice) and rapid time limits make for upset results but at the end of the day it is usually the old bands who emerge at the top.

A five-way tie for first in Philadelphia included GMs Dzindzhashvili, Gheorghiu, Christiansen (U.S. co-champion) and Tony Miles, while the seven winners at the London Evening Standard congress (among them Speelman and Paul Littlewood) were all seeded in the top ten.

Seeded pairings in opens means that competitors may be matched with an unknown in one round and a master in the next. The right approach to such conditions is to mix it with the strong and win by technique against the weaker. Stamina plays an important part since a long ending in one game means fatigue in the next.

The major upset in London came in the first round when the young player Kosten, who made his mark two years ago at the Hastings Challengers, defeated a Yugoslav GM. The squares Q5 and K6 are the most promising for Sicilian combinations, and knowledge of the Tal prototypes encouraged White to sacrifice five pieces for an attack which won the brilliancy prize.

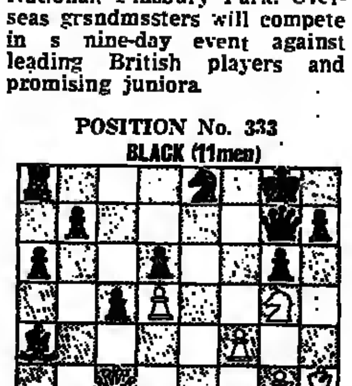
White: A. Kosten (Islington). Black: B. Kurajica (Yugoslavia). Sicilian (National Bank of Dubai Open 1980).

1 P-K4, P-QB4; 2 N-KB3, P-K3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3, P-Q3; 6 P-KN4, P-KR3; 7 P-N5, PxP; 8 BxP, P-R3 (book is N-B3 with chances to exchange knights in some lines); 9 Q-Q2, P-N4; 10 P-QR3 (N-Q3; 11 P-B4, B-N2; 12 B-N2, Q-B2; 13 O-O-O, N-N3; 14 Q-K2, N-B5; 15 P-KR4, R-B1; 16 R-Q3 (improving the rook's scope while defending the threats of NxRP or NxNP), B-K2; 17 B-R3, Q-N3; 18 N-Q5! (a well-known sacrifice in a favourable situation with all White's pieces in attacking play. Black now pays for his over-ambitious early Q-side advance), PxN; 19 PxP, R-B2; 20 R-K1, R-N5; 21 R-K4, P-N6; 22 N-B5, PxP; 23 QxP, N-K4? (trying to hold his material, Black misses the better N-K6!); 24 R-QB3, RxR; 25 PxR, N-N3; 26 NxP ch, K-B1; 27 N-K6 ch! (the second Tal square sacrifice. If PxN; 28 QxN with threats of PxP, BxP and B-R6 ch), K-N1; 28 N-Q4, NxQP; 29 B-K6! (now the intention is QxN ch), K-N2; 30 Q-B5, N-B3; 31 BxP! KxB; 32 RxB ch (the fifth sacrifice is decisive), NxR; 33 QxN ch, K-N1; 34 Q-K6 ch, K-N2; 35 QxN ch, K-N3; 36 Q-B6 ch, K-R4; 37 QxR ch, K-N5; 38 Q-K8 and Black lost on time. Parsdoxically after all the spectacular offers, White is a piece up at the end.

London's next major tournament begins on Wednesday (August 20) when the traditional Lloyds Bank Masters opens at the Alexandra National, Finsbury Park. Overseas grandmasters will compete in a nine-day event against leading British players and promising juniors.

POSITION No. 333

BLACK (11men)

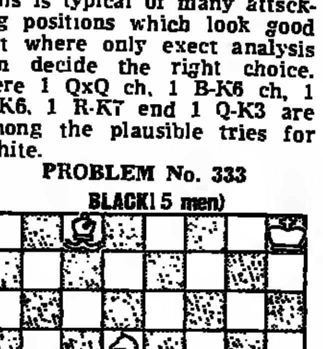


WHITE (10men)

Kunstowicz v. Gerusel, West German championship 1980. White to move; how should he continue, and with what result? This is typical of many attacking positions which look good but where only exact analysis can decide the right choice. Here 1 QxQ ch, 1 B-K6 ch, 1 N-K6, 1 R-K7 end 1 Q-K3 are among the plausible tries for White.

PROBLEM No. 333

BLACK (5 men)



WHITE (7 men)

White mates in four moves at latest, against any defence (composer unknown). This tough puzzle featured in a U.S. tour and few could solve it even with a prize for the correct answer. Black is limited to K-Kt and K-B7, but White's key and play are hard to find.

Solutions Page 10

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Saturday August 16 1980

Now for the bad news

THE GOOD NEWS is about inflation: aod since everyone has been expecting good news about inflation, there may he a tendency to ignore this numher, and brood about the bad news —the monetary mess, the squeeze on profits, the apparently uncontrollable rise in sterling, and some thoroughly nasty figures from the U.S.

To give readers courage for what follows, then, it is worth stressing that the good news is actually hetter than it looks at first sight. The retail price index reflects two things—the rise of costs and prices in the economy at large, and the charges the Government imposes on consumers to limit its own borrowing.

Cash limits

As everyone is now aware, one of those charges, last year's rise in VAT, is now a matter of past history as far as the price index is concerned. Another, however, is still very much with us: the very steep rise in charges by the nationalised industries and puhlic services, in order to meet tight cash limits. These charges have far outpaced prices in general. If we look simply at private sector prices, the rate of inflation appears to be only about 14 per cent, and for the last three months the inflation rate generally — including puhlic charges—has been below 1 per cent a month.

The bad oews is that this moderation has so far been achieved almost entirely at the expense of profit margins. Two major companies, Woolworths and British Printing, have surprised the markets with substantial losses during the last week, and they are surely only the first of a series of such announcements. The plight of the worst hit compaoies—those in the motor industry—has impressed even shop stewards, and there is a growing hope that the next wage round will be much less ruinous than the last. But the damage done meanwhile begins to look substantial.

One result of the constraint on prices imposed largely hy a high exchange rate is that companies have been pushed into mucb bigger bank borrowing than in the last sharp recession; stocks are proving hard to move, even at thoroughly unrewarding prices. Production is tberefore being cut back.

Paradoxically, however, this persistent borrowing is probably a major reason for what is now suspected to be a rapid growth of the money supply, as officially measured, in the first five months of the present targets. These figures become more mysterious as more details emerge hut no one in the markets seems nverly concerned to discover exactly what they mean.

Exchange rate

Whatever the credit statistics say, the effects of a tight squeeze are everywhere visible: in the misfortunes of manufacturing companies, in the rampant exchange rate—now more or less within its old official $2.38-2.42 limits—and even in the house market, where prices in the South East have actually hegun to fall, despite inflation and a mucb readier supply of finance. The Chief Secretary of the Tressury, Mr. John Biffen, probably has a lot of secret sympathisers wbeo he looks out at the real world and proclaims that money is under control.

This faintly Humpty Dumpty attitude to mere numbers—they mean what I want them to mean—may well point to the readiest way out of our technical swamp. Many in tbe market would be happy to agree that sll monetary figures published during the corset regime were simply fictions, and start afresh with undistorted figures. It so happens that monetsry growth over the two years of the corset regime, reading from the last month before it was imposed to the first since it was abolished, has averaged just 11¼ per cent, very much in line with policy. What the market wants is a new base to start from: its recovery yesterday suggests that it is hoping to get one. However, interest rates are likely to remain virtually frozen until a new regime is in place.

For the time being, the Baok of England is using a whole battery of technical devices to stop rates rising of their own accord. The upward forces are partly due to worry over the monetary figures, but much more due to tecboical shortage of liquidity and to nervousness about what is going on in the U.S.

U.S. output

Here, alas, the news is almost uniformly had. Wholesale prices have risen sharply, mainly hecause of the effect on food prices of a drought that now threatens worldwide repercussions. Output is still falling, if not quite so steeply, and is now some 9½ per cent below last year's level; tbere are rumours, amidst this depression, of fost monetary growth. It is s bad situation, and no one trusts a weak electioneering Administration. All in all, it looks like a nervous autumn ahead.

UDT AND THE SUITOR NO ONE EXPECTED • BY TIM DICKSON AND CHRISTINE MOIR

The TSB movement breaks into the big time

IT WAS codenamed "Operation N Company" during two years of hard and sometimes frustrating negotiations. Uolike mostt akeovers, literally hundreds of people up and down the couotry were involved. But when the news broke earlier this week, it turned out to be one of the best kept City secrets in recent years.

The Trustee Savings Bsnks Group's purchase of a 75 per cent stake in the hire purchase business of United Dominions Trust is of major importance both to the rapidly expsnding TSBs and the long suffering shareholders of UDT. On one hand it ends the long struggle by UDT to dig itself out of the problems created by the secondary banking collapse of 1974: on the other it marks perhaps the biggest step yet in the development of a relatively new banking organisation.

The deal effectively involves the TSB group taking over UDT's £450m instalment credit business plus the name of UDT in exchange for a £57.75m injection of new capitsl.

Hopes that UDT would be the subject of an outright bid, possibly hy a foreign predator, had pushed the group's share price as high as 69p before Wednesday's suspension of dealing at 61p. But while the City's surprise and obvious disappointment were reflected the next day when the shares immediately tumbled back 13p, tbe logic of the desl which has materialised is difficult to question. As one experienced clearing banker was honest eoough to admit: "The TSB Group was the obvious one which none of us thought of."

To many people the TSB Group is a little known aod somewhat enigmatic organisation. But for its 8m customers the UDT deal is the latest and most spectacular evidence to support the management's claim that the TSB "is well on the way to becoming a full clearing bank."

The TSB's rapid progress along the road to full banking recognition by the Bank of England, expected in the next couple of years, is in fact a remarkably recent pbenomenon. What really set the ball rolling was the Page Committee Report in 1973, arguably the single most important event in TSB history since the Rev. Henry Duncan established the first parish savings movement at Ruthwell, Dumfriesshire, at the beginning of the past century.

Terry Kirk

Sir John Read, TSB cbairman (left), and Mr. Len Mather, chairman of UDT: just after revealing their closely guarded secret.

TSB services were admittedly developing before Page arrived on the scene—cheque accounts were introduced in 1965 while unit trusts and insurance were started in the late 1960s—hot receotly they have expanded very fast. Customers, for example, can now get TSB overdrafts, personal loans, mortgsges, credit cards and—following this week's developments—TSB-UDT instalment credit.

This gives the TSBs a range of services comparable to those of the clearing hanks but there, for the moment, the similarity ends. With their massive fixed rate funds the savings banks have in the past not been permitted to enter the real world of competitively seeking investment outlets. The task of finding alternative investment vehicles is now beginniog in earnest and will prove expensive in terms of cost, staff and risk.

On the other hand the TSBs appear to bave a significant ace in the fact that they bave 14m savings accounts held by 8m iodividuals in tbe C, D and E social groups wbicb the clearers are spending so mucb money trying to capture. Meanwhile the HP deal with UDT shows considerable scumen for a first major attempt to enter a wider market.

"There were two hasic reasons for this takeover," Mr. David Thorn, tbe TSB's deputy chief general manager, explained this week. "Firstly UDT's activities ideally complement our own and extend the range of personal services wbich we have been building up for our customers. These in many cases should overlap because we are, for example, particularly well known among small businessmen and farmers—just the sort of people wbo should be interested in UDT's facilities."

'The TSB Group was the obvious one which none of us thought of'

Mr. Thorn's secood reason reflects tbe fact that the TSB in the years since Page reported bas been gently tugging at the Government's apron strings. In effect it is being slowly "denationalised," by which is meant the responsibility for its investment portfolio is gradually passing to the TSBs' own management. At the momeot, for example, personal lending still amounts to a mere £300m out of total funds approacbing £5.5bn, and apsrt from about £250m of Export Credit Guarantees Department backed loans, the rest basically is lent to the puhlic sector.

A considerable chunk—some £1.5bn—has been tied up with the fund for the Banks for Savings earning interest at the unattractive fixed rate of 7½ per cent. Last November the first of several half yearly tranches of this money was paid back aod once this process is complete the idea is that the TSBs will have full control over their own resources.

The TSBs' patb to "denationalisation," bighlighted by this week's deal, also brings into question its ultimate ownership and the responsibility for the decisions of tbis unusual banking organisatioo. To this nobody has a straigbtforward answer and it is one of the outstaoding issues which will bave to be resolved in the next couple of years. Strictly the TSBs are unincorporated societies but although they make profits they bave no shareholders. Profits in the last few years bave been ploughed back into the business in order to build up reserves to a level which will satisfy the Treasury and the Bank of England.

These reserves (or shareholders' funds) are distrihuted among the 17 autonomous regions which give the TSBs their local identity. Major policy decisions (sucb as the UDT merger) are made by the TSB Central Board in London. But because reserves are being committed to this new venture all the regional TSBs had to be consulted and grant their approval. Hence the involvement of so many people around the country.

Putting the UDT deal in this context Mr. Thorn points out that through its entry into other forms of lending such as overdrafts, mortgages and business loans, the TSB has been diversifying and resbaping its portfolio into that of a proper commercial bank. "We bave floating rate business and long term fixed interest loans. Our acquisition of UDT gives us a major footing in short to medium term fixed rate finance."

The financial implications, moreover, make extremely good sense for the TSBs. In return for a modest injection of capital from its £400m of reserves, the TSB is getting 75 per cent of a £450m loan portfolio which it can immediately refinance from its own funds. It is effectively potting in its money at a figure based on a small premium over the asset value of the UDT's credit instalment business.

The refinancing, of course, will be done from depositors' money on which interest paid will be considerably less tban the interest paid on market funds employed by UDT. Furthermore, the TSB will be able to matcb a considerable amount of its fixed rate lending with fixed rate deposits.

While getting into hire purchase makes considerable sense for the TSBs, it also, ironically, makes sense for UDT to get out.

Although the group has made dramatic progress in rebuilding its image and its finances since tbe 1974 collapse and rescue by the Bank of England lifebost, the much rumoured bidder bad persistently failed to materialise.

Meanwhile the capital demands made by the instalment credit business bave been growing no less and the need for a capital-rich psrent to fulfil those demands has been more and more clear.

When Mr. Len Mather was put in by the support group in 1974 as chairman of UDT he planned a medium-term strategy for a return to health.

With £500m of lifeboatt loans providing security Mr. Mather set out to restore confidence which would in turn make it possible to rebuild deposits in order to pay off the support loans.

That this part of the strategy has been successfnl is shown by the reduction in the lifeboat loans—currently down to less than £100m.

The next phase of the strategy was to have been more positive. Mr. Mather planned to build up the group's capital, begin paying dividends aod make a rights issue which would fully re-establish the capital base.

Unfortunately, as Mr. Mather admits, the second phase "was torpedoed by inflation and interest rate rises." This climate meant tbat even after repaying the lifeboat funds the group would still bave trouble rebuilding capital.

Unlike the TSB the old UDT did not bave sufficient fixed rate term deposits to matcb against its fixed rate term loans to customers.

Mr. Mather is especially pleased with the final touch to the deal. UDT, now to be renamed Endeavour, will keep a 25 per cent stake in the HP business for five years. The TSBs then have an option to buy it out for the equivalent of net asset value plus a premium —and that should represent a share of HP profits over five years together with a capital sum.

It is difficult to see, however, wbat tbe other attractions of Endeavour are likely to be. Cynics are already calling it a ragbag: It comprises the International Commodities Clearing House (profitable and with a good future especially if new petroleum, gold and financial futures markets develop): a collection of financial services businesses and hanks in Irelsnd, Zimbabwe, Nigeria, Belgium and the U.S.: a property lending business (slimmed down but viable): and a collection of industrial companies headed by the highly successful Swan National self-drive and motor hire gronp.

Mr Mather will not be around to mastermind Endeavour's future. He plans to retire once the deal has gone through, probably several months after his 71st birthday in October. However, he insists that it does have a future as a financial services and industrial bolding group.

Others are not so sure. The Prudential, whicb together with Eagle Star will bave 48 per cent of the equity, is thought to doubt whether Endeavour can develop an effective strategy.

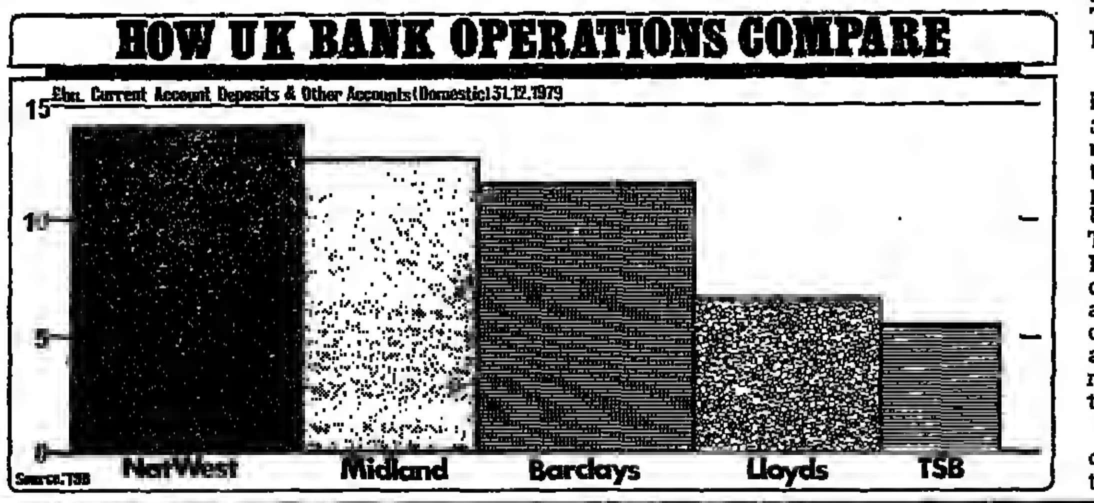
Sector analysts are tending to the view that the parts of Endeavour may add up to more than the whole and that the best move for shareholders would be voluntary liquidation over a longisb period.

It makes sense for UDT to get out of the hire purchase sector

Mr Mather says that such a move had been considered when the board discussed the consequences of the TSB deal. "A controlled liquidation was not Board policy" at present but "if there were majestic hids for bits" of the company they would certainly have to be considered, he says.

Meanwhile, he points out, significant capital resources have been released into Endeavour, now to be free of the capital demands of the HP side, and there is the final cash to come from the TSB in 1985. With net assets of around £100m it will, therefore, have a strong base from which to make acquisitions itself if any opportunities arise.

In what areas, however, he cannot foresee. And that is also the market's problem. It can tell where the TSBs are beading for—a place in the High Street alongside the clearers. But Endeavour? This looks more like a voyage of discovery. Like Captain Cook's voyage in the same ship it could be successful but . . .



Letters to the Editor

Surcharge

From Mr. A. Nopier.

Sir, — Mr. John Patten, MP, writes (August 6) to urge removal of the "iniquitous" employers' national insurance surcharge. He states: "It does deter employment, it does grievously affect liquidity."

Why does he confine himself to this particular imposition? Surely it is absolutely monstrous that, at a time when 1,896,634 are registered as unemployed, no one in the couotry is allowed to buy £100 worth of labour from anyone else unless he pays a levy of about £70 to the state for the privilege (at the standard rate of tax — ie. an effective tax rate of 70 per cent).

In addition, hy a linguistic confidence trick which I have never seen cballenged, in most cases the stale calls this 70 per cent imposition an "added value," and cbarges a further 15 per cent VAT on top of it.

Further, anyone who employs such labonr directly is forced to suhmit himself to three separate hureaucracies, the two of which I have direct experience behaving as absolute tyrannies, devoid of responsihility or control.

I am convinced that these employment taxes will, in time, be as dead as the salt tax, the wiodow tax, and tbe soap tax — perhaps not until there are 2.5m unemployed, perbaps not until tbere are 5m, but it will happen.

Meantime we protest too little. Even with the acknowledged very high rate of Inland revenue errors, it is strange that only about one in six of PAYE sufferers insist on tbe assessments to which they are entitled — particularly as it would appear from Section 206 of the Income and Corporation Taxes Act 1970 that most such late assessments are retrospectively to be taxed at later, and thus lower, rates and higher allowances.

Alec W. Napier,
Wrecclesham Grange,
Farnham, Surrey.

Costs

From Mr. H. Holden

Sir,—In a country like ours where the farming industry's vote is relatively small no Government is likely to be much influenced by its lobbying. Effectively the only power it has is wielded by a small number of big cereal farmers whose contributions to political funds are neither inconsiderable nor impartial.

Just in tbe same way industry in geoeral has a lopsided influence on governments: the smaller businesses hove not the financial clout to assert themselves as their bigger brothers do despite their far greater voting numbers. Thus, the case of the dairy farms presented by Anthony Rosen (August 12) falls into tbe general industrial pattern and cannot properly be considered in isolation.

In the realm of manufacturing industry, wbere I try to breathe, tbere are two ways of dealing with unprofitability; you can raise prices or you can reduce costs. If you can do neither, then you are in dead trouble. Mr. Rosen complains strongly that he is being thumped on prices and costs: though he has an inestimable advantage over a small manufacturer by virtue of a guaranteed market for all the production he can finaoce, and far better access to bank money when his own runs out, be is nevertheless now a member of the club. He fears import penetration without apparently seeing that a higher price for bome-produced milk would price him out of bis market and let in as big a flood of continental milk in cartons as would the shortages resulting from a cut in his production.

Now the common factor tbat emerges from examination of our joint misery is that the really serious import penetration, or threat of it, which bars a solution through bigher bome prices comes from quite near at hand, not Japan or East Germany. So do the really serious cost increases which bar the alternative solution; mostly they are attributable to the upward "harmonising" of EEC energy and food prices. Let Mr. Rosen think not only of his diesel fuel hut even of his energy-intensive sulphate of ammonia. And I'm sure he knows about the import levies (for the Common Market budget) which maintsin the high prices for bis bought feedstuffs.

As another letter on the same page hinted there are some Continental industries where special low prices for energy seem to apply, and tbere is talk of our Government doing something similar for our steel producers. I wish it would. Once started it could quite easily and without subsidy provide all our industries with energy at 40 per cent below today's artificially bigh prices. What a difference that would make! And it could cut wage demands at a stroke too by ceasing to keep out food for man and beast at the far lower prices that obtain in the free world outside tbe Community.

Even if I were not, as I always have been, bitterly opposed to our membership of the Common Market on other gronnds, I would today bave to think seriously whether we might not be a lot better off out of it. Nobody at all can tell me one single tangible advantage that bas accrued to Britain as a result of, or even since, our accession in 1973.

H. Patrick Holden.
Hayes, Kilmersdon, Bath.

Water

From the Joint Managing Director, Smith and Grace Screw Boss Pulley Co.

Sir,—We were interested in the letter from Mr. V. Wilmoth (August 7) regarding enormous increases in water authority charges particularly under tbe new management.

Though uoder the Anglian Water Authority the treatment we are experiencing is mucb the same and enormous increases have recently come ioto being.

As a amsll engineering business well over 100 years old we are doing our utmost to survive and it so happens that in the middle of our works we have a well which we have harnessed to a motorised pump and recycle the bulk of our water cootinuously to cool compressors, etc. We have three other meters wbich are read quarterly serving a canteen and works washiog facilities, the offices and means of damping down a furnace. The total of these three usually comes to approximately £20-£22, hut the authority not satisfied with the quantities we are using has introduced a "charge required to meet minimum charge" and added some £51.50 to bring our commitment to £73.50.

It is outrageous that at a time when we are urged to use less (especially in times of drought) that sucb iniquitous charges can be tbought up.

We are saying therefore tbat our increase has worked out to approximately 240 per cent for helping ourselves and keeping down our costs. We believe tbere is evidence of huge sums being wasted and careful users are beiog preyed upon to foot the bill.

J. A. Smith.
Smith and Grace Screw Boss Pulley Co.,
Thropston,
Kettering, Northants.

Prices

From Mr. N. Davis

Sir,—I was very intrigued with your table of domestic gas prices published in page 3 last Saturday.

If this table is correct two rather extraordinary facts emerge: as the pound rises in value the price of gas on the Contineot falls in proportion and all the inhabitants of the countries in tbe table appear to pay their gas bills in sterling.

These facts are evidently incorrect and who ever compiled the table bas fallen into the trap of trying to treat the rate of exchange of currencies as a constant which can he used as a conversion factor like converting pounds to kilograms or miles to kilometres.

The absurdity of attempting to compare prices in this way can he demonstrated hy putting the same method into reverse. For instance if the German mark rose by 10 per cent in value the price of Britisb gas would he reduced by 10 per cent hut only to the German visitor paying a gas hill in Britain with marks brought with him from Germany!

It might be argued that the tahle shown was correct on January 1, 1980. What about January 2 or 3 and what time of the day on December 31, 1979, were the exchange rates taken, morning or afternoon? There would be marginal differences.

I am afraid there is no way where comparisons of prices in different countries can be made, by using the rate of exchange, which is, after all only the buying and selling price of one currency against another.

Even the Consumers Association gave up trying to do this, and the nearest approach to comparisons it could get, was to determine how many hours work at average wage could buy a given product in a given country and even this was probably out of date within hours in the same way as trying to use the rate of excbaoge.

This fallacy has been perpetuated for a long time now by people in authority who should know better bot frequently use it for their own arguments, but I bave yet to bear anyone claim that in the period of time that it has taken the pound to rise about 10 per cent against the French franc that salaries and incomes in Fraoce have falleo by 10 per cent.

Norman D. Davis,
37, Elms Avenue,
Porkstone,
Poole, Dorset.

Pay

From Mr. P. Brown.

Sir,—Our latest indicator of salary settlements in the private sector, based on observationa between March and June, shows a four monthly unadjusted rate of increase down to 2.3 per cent. Allowing for seasonal anomalies in settlement dates tbis represents a 15 per cent year on year increase, a figure supported by our other regional and other independent earnings data.

Staff receiving higher rises did so on a performance related basis which usually involved some de-manning, unless they worked for financial or energy companies.

On tbe same basis and after allowing for salary drift, we predict private sector settlements between 13 per cent-15 per cent for the year to July, 1981. Departmental casb limits within companies will however require some productivity improvements in exchange and almost certainly significant redundancies if higher awarda are to be made.

We remain sceptical of the pay research unit's contention, specifically referred to by its director in bis recent report, that there is no difference in rates of pay for hroadly similar work in large, medium and small companies. The research unit's selection of small companies, defined, in our view wrongly, as those with under 2,000 staff, appears biased towards bigh paying professional type organisationa. We feel that a less selective comparison with a wider range of Bolton type small companies, under 200 employees or equivalent criteria, that collectively employ about 5m-6m people would show public sector pay to be well above the national average in most grades. This view is supported by the extreme difficulty most private employers face in recruiting senior clerical or administrative staff in competitioo with public and nationalised employers.

On this basia any staff on the state or town ball payroll offered 13 per cent-15 per cent rises would be doing as well as most private sector employees. If the offer is higher and is not accomplished by a realistic and implementable productivity scheme, tbey will be doing considerahly better.

Peter M. Brown,
Synergy Publishing,
1 Mill Street,
Stone.

CONSUMER'S GUIDE TO HOLIDAY CURRENCY

BY ALAN FRIEDMAN

The travel money jungle

DECIDING ON the right kind of funds to carry on a trip outside Britain can be a daunting propoaltion.

Holidaymakers and businessmen usually take with them carefully planned hotel bookings, train connections and car-hire contracts, but there is one area of travel planning which is frequently ignored.

Last year Britons took more than 10m holidays abroad, spendlng a total of £2.6bn outside the UK. The expenditures of British businessmen probably hring this figure above £3bn. Yet the idea of shopping for "travel money" rarely receives the kind of attention given to longer-term investment declaions.

Thia could be a mistake, particularly since the field of travel money — travellers cheques, credit cards and foreign currency—is rapidly becoming highly competitive. Banks and credit organisatinna are constantly introducing new programmes and lt is now very much to the henefit of the consumer to explore the optiona with care.

One banker in charge of foreign currency sales explains: "You shop around for a car. You shop aronnd for s new sult. Why shouldn't you look around for the most economical way to manage your foreign financea?"

The first thing a traveller must decide ls the mixture of funds he wlahes to carry. The consensus among bankers and travel agents seems to be that the bulk of the amount sbould be carried in travellers cheques, either sterling or foreign denominated.

A small percentage of the traveller's budget should be held in foreign currency to "get things going." Credit cards such as Access and Visa and eveo personal cheques with the "Eurocbeques." guarantee card can be useful to supplement cash and travellers cbequea, especlally if these run out prematurely.

For the prospective traveller, the current jungle of different cheque schemes, commission charges and exchange translation rates can prove quite intimidating.

Foreign currency should he the most straightforward but tbe banks have shrouded it in mysteries about fluctuating rates and handling charges. Most major clearing banks and dealers in foreign currency start by relating their prices to London's spot market in foreign exchange—the sometimes fast-moving barometer of how the pound atands against the dollar or the Deutsche Mark against the Yen. But they do this in different ways.

Banks have shrouded foreign currency in mysteries

Barclays Bank, for example, bases its foreign currency prices on a daily morning survey of the spot market rates. The various rates are compiled in London and posted overnight to branches around the UK. When a customer walks into a Barclays branch in Bristol, the cost of French francs will actually be based on yesterday's market, but it will be a uniform cost at sll UK branches.

National Westminster, however, transmits theae figurea to its branches over its computer terminal every morning. Its rates can be slightly different from Barclays since the opening prices may deviate from the previous day's closing ones.

If it were simply a question of spot rstes, the foreign-bound customer might not worry so much. But handling cbarges vary and the banks engage ln an activity known as "shading" in which the spot ratea are adjusted to cover insuraoce and handling cbarges as well as profit margina. On top of this shaded price of currency, the banks then add a commiasioo charge.

Although the commission on foreign currency la generally 0.5 to 1 per cent, it can be altered depending on the size of the transaction. The smaller the purcbase, the higher the proportionate commission will he, hut most banks have an upward commission limit of £10 or £20.

There ls also the confnsing problem of a foreign currency "spread." Buying American dollars is never quite the aame as selling them. The difference may not be important at first, but it is when you want to get rid of the extra currency on your return. This, too, can fluctuate among various banks and is tied to the foreign exchange market.

Three hints may be of use. First, currency should be ordered at least 48 hours in advance, longer outside London. Major currencies should be in stock, hut may not be. Second, ask the bank about limits on importlng currency lnto the country you are visiting: many have stringent controls. Third, if tbere is time, seek out one of the London-hased foreign banks such as Credit Lyonnais, Deutsche Bank or Banco de Bilhao.

The chances are that UK-based branches of foreign banks will offer a hetter rate on their particular currency. British banks may offer a variety of currenciea, but the foreign hank specialises in its own market.

Sr. Juan Carlos Zorilla, a manager at Banco de Bilbao, explained that his bank offered nnt only Spanish pesetas, but peseta-denominated travellers cheques as well. "The market for pesetas in Britain is very narrow and we try to offer hetter prices than the British banks," he said.

On aeveral recent days Banco de Bilbao has offered more pesetas per pound than British banks. If, say, the Banco de Bilbao offers 170 pesetaa to the pound against a UK bank's 165, this can mean a saving of £3 on a purchase of £100 worth of currency.

Mr. Anthony Rogera, manager of UK retail banking for Thomaa Cook, agrees that foreign banks can provide better rates, but stresses that hia group can offer immediate access to travellers cheques in nine different currencies and 48 hour service in 140 currencies from the Italian lira to the Guatemalen quetzal.

The cheaper the lira, the more enjoyable the gondola ride

Because of the cost of shipping currency to the UK, the rates in Britain are likely to be slightly higher than those prevailing in the foreign country being visited. Swiss francs for example will usually be cheaper in Zurich than in London, although commission charges vary. But hsnkers recommend that at least a small portion of currency is purchased before leaving because banks might not be open upon arrival.

For sophisticated travellers, especially those familiar with the movements of the foreign exchange market, it may make sense to take sterling to certain countries while the pound ia on a clear upward trend. But this ls a delicate operation, requirlng a sense of timing and attention which holidaymakers may not bave.

In deciding whether to take travellers cheques rather than curreocy, it is helpful to know that rates in Britain are almost always better for foreign currency travellers cheques than for notes; this is because the former involve tower bandling expenses than actual cash.

In visiting the U.S. it is most prudent to take dollar cheques as these are widely accepted in hotels, restaurants and shops. Americans bave often used travellers cheques for internal travel and are quite happy to cash a $10 cbeque for breakfast or a packet of cigarettes.

For UK tourists and businessmen heading to the Continent, sterling cheques are an option, but it may make more sense to take a destination-denomioated cheque. Thomas Cook reports an increasing trend toward this latter type of cheque because the exchange translation is already complete and acceptance may be broader.

Using a aterling cheque in France or Spain can be an advantage if the pound is riding high on the particular day the cheque is cashed. But it will of course, be necessary to go to s bank before using tbe money. A foreign currency cheque however, can he used in retail outlets usually without any extra encashment charges.

France has been a slightly awkward place to use travellers cheques in the past because of the lack of co-operation among different issuer banks. But American Express has just launched a new French franc travellers cheque supported by a consortium of four French banks. The new cheque is offered by the Société Française du Chèque de Voyage, which it made up of Banque Nationale de Paris, Crédit Lyonnais, Crédit Agricole and Crédit Coumercial de France. Tbis is the first time American Express has joined with other banks and is a sign of the way in which competition ls hotting up on the worldwide travellers cheque market.

In Britain where competition has been very fierce, Cooks now bas ahout 20 per cent of the market. American Express, Barclays-Visa and NatWest have similar shares while the remaining fifth ia divided among amaller UK banks snd foreign banks. Fifteen years ago Cooks bad a near monopoly.

Perhapa the single most radical development in the sector has been tbe decision hy Midland Bank, the parent of Thomas Cook, to sell 80 per cent of the company to a European banking group which is developing a new "Euro-Travellers Cheque" for uae by early 1981. The prospect of another lssuer on the market should incresse the general level of competition and may even lead to varying commission rates in future.

Finally, althougb credit cards are not normally considered as travel money, the Visa or Aecess card in the wallet can be a life-saver if the rest of the funds expire too early. Or, as an unarthodox method of getting free credit these bits of plastic can be useful.

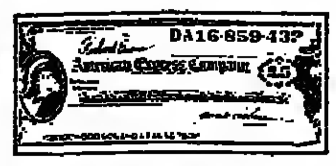
Credit cards are becoming increasingly usable on the Continent, although West Germany is still a relatively difficult place. Paying for a dinner in, say, Barcelona witb an Access card, means there is no immediate expense and no commission. The only charge is exchange translation, which depending on the remoteness of the venue, can take a long time to be processed back in the UK.

In addition, Access snd Visa both offer cardbolders a special drawing facility overseas of up to £100 per day. Banks which dlsplay the card symbols in their windows will provide local currency on the spot. Visa charges 1½ per cent commission on these transactions, but Access merely converts the voucher into sterling when it reaches the UK and is thus cheaper to uae.

The other useful back-up method of paying bills on the Continent is with ordinary personal cheques. Under the "Euro-cheque" network, a large number of banks will provide foreign currency of up to £50 if you produce a cheque guarantee card with the "EC" insignia. Barclays customers, however, must request a separate card for this purpose which takes about a week to process.

All of the evidence thus auggests that a short amount of time invested in ahopping for foreign funds can be well worth the trouhle. After all, a cheaper lira in the pocket can only make a gondola ride through Venice a more pleasurahle experience.

WAYS TO TAKE FUNDS ABROAD



TRAVELLERS CHEQUES

Available in sterling or foreign denominated currencies. American Express is the world market leader, but in the UK it shares the business with Thomas Cook, Barclays-Visa, National Westminster and others. Usual commission charge is 1 per cent.

CREDIT CARDS

Access or Visa cards can be taken overseas and used in many hotels, restaurants and shops. Although not as widely accepted as travellers cheques, the only charge is exchange translation when the voucher is returned to Britain. This is usually sometime after the holiday.

CHEQUE CARDS

Under the "Eurocheque" network British holders of cheque guarantee cards with the "EC" insignia may draw up to £50 at a time in foreign currency from participating banks on the Continent. Barclaycard holders must request a separate card; this takes about a week to process.

CURRENCY

Exchange rates are calculated daily by the major clearing banks and Thomas Cook on the basis of the spot market rates. Major currencies such as the U.S. dollar or Deutsche Mark may be instantly available, but many others take at least 48 hours to order. Because of handling costs, foreign currency is usually priced at a rate inferior to travellers cheques.

Weekend Brief

Between the lines of ITV's summer schedules failure and autumn plans . . . publishing grand scale glossy . . . the bars swing to swing . . . and the sudden rush to August sun

Autumn television drama

Anxious Thames Television eyes will be cast skyward tomorrow in the hope that in central London at least there will be a sunny Sunday. Tbames is throwing ao elegant late summer garden party in the capltal, an event wbich promises to be a whirl of cool Champsgne and summer dresses. The project is billed as a celebration of the snnouncement of an impressive list of shows for the autumn schedules from tbe biggest of the ITV companies. For more cynical observers of the televisual scene it could be viewed as a wake for an unfortunate period in ITV's ratings war with the BBC.

As if the overall figures produced earlier this week on the ratings battle were not bad enough, io that they showed ITV lo be doing worse agsinst the BBC than in any other recent year, a closer look at tbe regiooal figures suggests that some ITV companies must be close to bair-tearing. Thames itself, along with weekend contractor LWT, saw ITV's sbare of the London audience dip from a pretty bad 46 per cent in June to 40 per ceot in July. Down on the prosperous coastal strip whicb is Southern Television's domain the ITV share dropped to 36 per cent.

You might say that all thia is due to an embattled BBC still having considerable resources in inventiveness and originality. Oh that this was the case. In fact the BBC audience winners came from sport—the Wimbledon final and the Coe-Ovett Olympic duels—and old films—*Brannigan*, *Chato's Land* and the *Pink Panther* among them. Even that lovable innovative alternative BBC 2 produced its best scores from such original material as *Curse of the Werewolf* and the re-runs of the made-for-tv Hollywood film epic, *Dallas*. At least the shows that ITV claims the highest audiences for in July were home hrewed—Granada's *Coronation Street* and *The Krypton Factor* and ATV's *Crossroads*.

ITV sources (this column declines to be dragged into the "mole" era) snggest that the commercial channels will present their action packed autumn programmes in such a way as to knock the smile off Auntie's face. If this proves to be true it might bring something of a grin back to the advertising industry, which has been making its views of ITV's listless status in the popularity polls widely known. Partly because of pride, partly because of this advertising pressure, and partly because the companies are all trying to get renewed contracts, spending on these autumn shows has been tavisb.

The implications of all this for the viewer are not entirely good. Clearly ITV is going to fight hard to get its audience back, snd equally clearly the BBC is not willingly going to shed its present championship title. For those who want a bit of prime-time culture, therefore, the omens might be particularly ill. If, however, your taste runs to nostalgia then thls autumn could provide s hanquet of delights. Not only is the BBC looking to such personalities as Harry Worth and Des O'Connor for much of its material, the fact that both the actors and musicians of Hollywood are currently on strike means that lnstead of importing new Amerlcan msterial the Corporation will have to re-run old pieces.

So, as you cast your eyes down the riches of the ITV autumn offerings remember — every silver lining bas s dark cloud.

Going by the book

FOR A MERE $3,500 a piece it is now possible to buy one of a limited facsimile edition of one of the most beautiful medieval Korans around. Representatives of Fideurart of Rome, the publisers, take pleasure in describing them as forgeries. This is what they are, for no efforts bave been spared to reproduce as precisely as possible this Koran, which is housed in the Topkapi Museum in Istanbul.

The original was commissioned by Sultan Suleyman the Magnificent and appeared in 1546. The calligrapher was tbe famous Ahmed Karahisari, whose monumental calligraphic inscription also adorn the Suleymaniye Mosque in Istanbul. The facsimile uses paper, specially mannfactured to bring out the light and intensity of the colours—tbe blues, pinks and gilt of the illumination round the borders of the text. The headings of the individual cbapters of the Koran are mainly in the ornamental Thuluth and Riqa' scripts, while the text is in the elegant Naskhi scrip, whicb ia clearer than many used in Korans.

The pages of each copy have been carefully folded, with the original unevennesses preserved, and bound with band sewn linen twine. The binding for the non-presentational copy reproducea that of the original, band made and of broen blind-tooted goatskin leather. The preaentational copies are in Moroccan Leather and is hand-gilt with 22 carat gold-leaf.

Needless to say, this is an expensive operation. According to Ms Lolita Guakil, a Turk and key person in Fideurart, the $3,500 cost per ordinary edition may not cover expenses. So far only around six dozen editions have been delivered—and this figure includes several gifts.

Thus the production of these facsimile editions could cost a minimum of $5.25m, and Fideurart is sdamant that they are not being subsidised by Arab governments. Nevertheless, it is not surprising that the first two reclpients of presentational copies were King Khaled of Saudi Arabia, and Crown Prince Fahd.

The cast of Dallas: hitting ITV, striking Hollywood.

The idea of producing this Korsn has been around for six or so years, and it has come to fruition to celebrate the current year 1,400 in the Moslem calendar. Copies will be oo display in London at an exhibition of Islamic and Arab world books during September both at the mosque at Regent's Park in London, and at the Islamic Council of Europe, which is headed hy Mr. Salem Azzam, a Saudi of Egyptian extraction.

This organisation, together with the Islamic Cultural Centre of Italy, headed by Prince Abu'l-Qassem Amini, have heen among the scheme's most entbusiastic supporters.

Music in their ears

This summer of 1980 seems to be one of changing faahion, as befits a new decade. Now, it seems, discomania is alleged to be very much on its last vibratlng tegs. According to the Kings Rosd cognoscenti disco is dying: today's trendsetters are tuning into modern jazz. "You walk along the Kings Rosd now and in all the hest bontiques, where once you heard disco music blaring out, you'll hear modern jazz," says long-time Chelsea watcher Roger Garrett. "Disco is dying fast: everyone is switching from that very hesvy disco music into a mucb softer, much more sophisticated modern jazz-type music, saxophones, clarinets, piano — music you can actually hold a conversation by, as well as music you can listen to and watch. Take a look at the number of wine bars around bere tbat are now featuring live jazz instead of canned disco."

Garrett, it must be said, does have a vested interest in the death of disco and the birth of the blues—he and bis partner Kevein Barry, another old Kings Road hand, own the newly fashionable jazz supper cluh and cocktail bar Mainaqueeze at the Stoane Square end of Chelsea's Golden Mile. Mainaqueeze — an old blue's term for a musician's favourite lady—features live modern jazz music through till three every morning and claims to be pulling in disaffected diaco dancera by the hundreds.

But Garrett is sdamant that they didn't create the current modern jazz movement in opening Mainsqueeze: the club was the answer to a rapldly growing demand in the area for a late-night rendevous that wasn't a disco. "Everyone kept saying that they were getting a bit fed up with the whole beavy disco tbing, tbe fact that apart from somewbere like Ronnie Scott's ln Soho there was nowhere to go to listen to sophisticated live muaic. We had watched the modern jazz happening right along the Kings Road and io February we judged the time waa ripe for a aophisticated jszz club. And we were right."

It wonld be easy to dismiss the Garrett-Barry death of disco claims as a gambit for a bit of media mileage, if it wasn't for the duo's higbly impressive track record in their neck of the woods. Six years ago they teamed up to make the Chelsea Cohhler (Garrett wss mansging director, Barry was financial director) the most successful high fashioo shoe store in town. While still ln the shoe buslness, they saw sn opening for an up-market wlne bar in "The Road," took over ao ailing watering-hole beside the Cohblers, re-vamped and renamed lt.

Blusbes has slnce become one of the chlcest, and certainly most popular—with house full signs out every night—wine hars around. So successful that withln six months Gsrrett and Barry stepped out of shoes and lnto the wine trade full-time. "We oioved from sboes to booze," says Garrett with one of his awful quips. "And now its hlues."

Summer of discontent

In this somewhat extraordinary weather year the British seem suddenly to have decided to pack their hags and head for the airports (there being a hit of local difficulty at the seaports at the moment). For many of them it has heen s fruitless journey. A couple of months ago Britain's tour operators reckoned that the cold winds of recession were blowlng too hard and cut back their peak season capacities. Flights were cancelled and hotel bookinga released. No sooner was this done than the perverse British consumer reached for his telepbone and suntan lotion.

One would have thought that the main beneficiary of all this would be a new organisation, The Late Traveller, a club set up specifically to collect up all unsold and cancelled holidays abroad and aell them on to members who pay £5 a year for being on a private mailing list. The club, run by the energetic Peter Humby, had a roaring start but even it is now running low on stock. "The tour operators got it all wrong. Now we are telling people that if they are joining just to get a holiday over the next two weeks they may be doing the wrong thing."

In June Humby was getting hundreds of holidays a day offered to his memhers. "The number is dwindling every day. People who expect to go where they want at the time they want within a couple of days notice within a couple of days' notice just have to take an alternative." So instead of Marbetta read Crete and instead of the Cote d'Azure read Miami Beach or Yugoalavia. Needless to say the operators themselves are not happy to see this rush of demand and have little ln the way of supply, but as one remarked ruefully to me: "Right now I'd rather have 2,000 people wanting my holidays when I haven't got them than have 2,000 holidays that no one wants to huy."

Contributors:
Arthur Sandles
Anthony McDermott
Robyn Wilson

Economic Diary

TOMORROW: Department for National Savlngs' monthly progress report for July. British Music Fair opena, Olympia
MONDAY: Preliminary estimate of gross domestic product based oo output data for second quarter. Balance of payments current account and overseas trade figures for July. Ulster full-time firemeo take industrial actioo over unfilled vacancles. Departmeot of Trade publishes July provisional retall sales figures.
TUESDAY: Lord Carrlogton, Foreign Secretary, starts official visit to Sweden (until August 20). International Fisherles Fair opens, Oslo (until September 4).
WEDNESDAY: Departmeot of the Environment gives details of new construction orders for Juoe. Department of Employment publishes indices of average esrnings for Juoe and for basic rates of wages for July. Ceotral Statistical Office issues secood quarter second prellminary estimate of consumers' expenditure.
THURSDAY — Department of Industry Issues second quarter provisional figures of capital expenditure by the manufacturing, distributive and service Industries; and for manufacturers' and distributors' stocks. Central Statistical Office publishes details of the public sector borrowing requiremeot, snd of local authority borrowing for the second quarter.
FRIDAY—Department of Industry Issues figures for sales and orders in the eogineering industries during May; and turoover of the motoring trades during the aecood quarter. Departoient of Transport gives details of new vehicle registrations for July.

UK COMPANY NEWS

Corah profit down midway

For the first half of 1980, Corah, Leicester-based maker and distributor of knitted clothing and fabrics, reports pre-tax profits down from £1.85m to £1.02m on turnover of £19.59m against £19.65m.

Slimmer margins and high interest have continued to affect profits but, set against this, the group's substantial investment programme during 1979 has already shown encouraging improvements in efficiency, the directors report.

Despite difficult trading conditions, manufacturing resources are well covered by the present order book for the rest of the year, they add. One of the group's largest customers is Marks and Spencer.

First half tax charge is £165,000 (£650,000) giving earnings per share of 2.9p against 4.1p. The interim dividend is maintained at 1.25p—last year's total was 2.9p from pre-tax profits of £3.04m.

Current economic conditions have inhibited the capital expenditure programme, but the Board is continuing to pursue a policy of significant investment in modern technology. It is the directors' belief that this is the only way the group will improve its market position and compete better with low cost imports.

● **comment**

The 45 per cent profits decline reported by Corah compares with a fall of only a third at Nottingham Manufacturing, but Corah is having to support a steep rise in interests costs to finance its heavy spending programme. The pre-tax margin of 5.2 per cent is respectable considering the pressure being applied by the group's customers, notably M & S, and these half-time figures compare with a period boosted by spending ahead of the VAT rise. Autumn stocks, which last year were in the shops by mid-year, are this time still in warehouses. A more normal trading pattern should enable Corah to approach last year's profit of £3m which would leave the shares, up 2p at 30p yesterday, on a prospective fully-taxed p/e of 5.9. The rating places some faith in the benefits of the present spending, but shareholders can be comforted with a yield of 14.4 per cent until these come through.

Phoenix Timber hit by high interest

EXTERNAL sales of the Phoenix Timber Company, rose 25 per cent to £44.55m in the year ended March 31, 1980, but increased interest charges of £1.75m against £1.17m pulled pre-tax profits back from £342,000 to £320,000.

However, the board is maintaining the total dividend at 5p per 25p share out of substantial reserves. The final is an unchanged 3p.

The directors are confident that the group will withstand the present recession and will be well placed to take advantage of any improvement in the economic activity. Shareholders' funds at March 31 this year were £9.95m compared with £9.93m a year earlier.

Group trading profit of £2.07m against £1.51m is after deducting £76,000 losses on several uneconomic businesses which were closed during the year.

	Year 1979-80 £000	1978-79 £000
External sales	44,546	35,567
Trading profit	2,070	1,511
Int. & financial chrgs	1,750	1,169
Profit before tax	320	342
Tax	58	7
Net profit	262	335
Minorities	—	48
Extraord debit	256	*20
Attributable	6	307
Dividends	152	146
Retained forward	5,646	5,732

* Credit

Further losses and terminal costs have been written off as extraordinary items of £256,000. Stated earnings are 5.9p (9.9p) basic and 10.6p (16.3p) on a nil basis.

Re-appraisal of group properties is in progress and since the end of the financial year, realisations have produced £450,000—further sales are being negotiated, the board adds. In addition, annual cost savings amounting to £700,000 have also been made, effective from the current year.

● **comment**

Only once in the past six years has Phoenix managed a respectable return on capital and the shares, up 2p to 133p, derive far more support from the asset backing of around 330p than from trading prospects. A second-half loss of £210,000 and significant closure costs have wiped out attributable earnings but the group is maintaining its dividend on the strength of future prospects. These look difficult at best. Concentrated in the wholesale end of the timber business, Phoenix operates on very low margins which can be whittled away by high interest charges. With timber demand expected to fall by around 10 per cent this year, and with the strong pound causing at least some stock losses, Phoenix will again be struggling. Falling interest rates will bring some relief and the current programme of asset disposals may strengthen the balance-sheet but, on a yield of 6.5 per cent, the shares must be viewed primarily as an asset play.

Chamberlain Phipps sees fall at six months

AT THE annual meeting of Chamberlain Phipps, maker of components for the footwear, clothing and automotive industries, Mr W. R. Chamberlain, the chairman, warned that profit for the first half of this year would be less than last year, while the prevailing trading climate in the UK left little cause for optimism.

Overseas group companies had a good first quarter with profits better than budget and greater than last year.

In the UK trading was reasonable during April and May but since then it had been poor.

The company was maintaining a good volume of exports but at low profit margins.

High interest rates continued to affect profits in the UK, although borrowings were being stringently controlled, Mr. Chamberlain said.

He was convinced that the group's diversity of interests and structure would enable it to weather the present difficult economic conditions.

For the year ended March 31, 1980, pre-tax profits were £4.15m (£3.89m).

Decline at David Dixon

WITH second half pre-tax profits falling from £497,092 to £338,410, David Dixon and Son Holdings reports a drop from £862,366 to £779,764 for the full year to March 29, 1980.

Turnover of this manufacturer of ladies' and men's hosiery, underwear, woollen cloth and other products, was lower at £10.46m compared with £11.06m. First half turnover was affected as a result of a fire at the company's Leek factory early in the year.

The board considers that the reported profit is good when taking into account the greatly reduced contribution from the woollen cloth subsidiaries.

Conversely, all other group divisions have produced record profits despite difficult trading conditions in the last quarter. In spite of these problems, which have continued into the current year, the hosiery and underwear/leisurewear activities are performing well and the company has recently negotiated a contract which will keep its children's division at full capacity for the next year.

After tax of £229,483 (£188,783), net profits come out at £550,279 against £673,783, and stated earnings per 25p share are considerably lower at 29.7p (41.3p). The final dividend is raised from 5.7243p to 7.73p for a total of 9.95p (8.5p).

The board says new factories have recently been erected for fabric production at Leek, and fine gauge hosiery at Sutton-in-Ashfield. An extension of the underwear and leisurewear factory, also at Sutton, has just been completed.

All these have been equipped with the most modern machinery which should form a sound base for future growth, directors state.

Rosgill margins still under pressure

For the current year, Mr. J. L. Ingles, chairman of Rosgill Holdings, expects the group at least to maintain turnover but anticipates continued pressure on margins due to severe competition.

As against this, the group is deriving benefit from a vigorous pursuit of opportunities to improve the group's cost structure and efficiency which will help to cope with immediate difficulties and to take advantage of any upturn in trading.

The market for the UK companies' products are depressed and the chairman feels that it is unlikely to become more buoyant in the current period. The group sells ladies' and children's clothing by direct sales methods.

The rate of UK inflation together with strong sterling have eroded the group's product price competitiveness in the Dutch market and reduced profit margins achievable.

With the present very high value of sterling, it is difficult to be at all optimistic about the short term performance of the Dutch subsidiary and decisions as to its future will be taken in the light of its long term viability, the chairman says.

At present, the directors have taken measures to cut overhead costs substantially.

In the 53 weeks to May 31, 1980, the group reported pre-tax profits of £728,084 against £1.13m on turnover of £26.73m compared with £22.87m. Of the turnover and trading profit, the UK and Eire companies contributed £25.32m and £922,787 and the Dutch subsidiary, £1.41m and a trading loss of £114,481 (£6,935 profit).

At May 31, 1980, Industrial and Commercial Finance Corporation held 26.34 per cent of the group's ordinary shares and Grafield, 9 per cent.

Meeting, Burton-on-Trent, September 9, at 10 am.

Olives Paper: no interim

PROFITS before tax of Olives Paper Mill Company, have slumped from £155,130 to £8,436 in the first half of 1980 and to conserve resources, the directors are deferring consideration of a dividend until the year's results are known.

For 1979, an interim of 0.73p was declared followed by a 0.77p final. Pre-tax profits for the year amounted to £285,000.

The paper company says that the last few months, the paper trade suffered a severe downturn in demand with the result that the group has been unable to recover increased costs.

First half tax charge is £3,000 (£84,000) with earnings per share stated as 0.08p against 2.31p.

The directors say the Government's energy policy has a particularly damaging effect on the papermaking industry and the group is currently paying substantially more for fuel and power than overseas competitors. In these circumstances the Board has curtailed production.

The capital expenditure programme is now nearing completion, but the group will be unable to gain full benefit from the investment until market conditions improve.

Plans for further capital expenditure have been deferred until there is clear evidence of a return to more normal trading conditions. In the meantime, the directors are continuing to enforce strict financial disciplines and doing everything possible to reduce costs.

Relyon shows half-year downturn to £558,000

After expanding to a record £1.85m for the whole of last year, taxable profits of Relyon PBWS, mattresses, divans manufacturer, dropped from £911,000 to £558,000 for the half-year ended June 30, 1980.

Turnover was down 12 per cent to £5.7m (£6.48m) and reflected the depressed trading conditions, the directors state.

While the immediate future is unlikely to show a return to the level of trading experienced in 1979, they view longer-term prospects with confidence.

Mr. H. Brockenshaw, the chairman, says it is difficult to make a precise forecast for the second half, but in respect of the major subsidiary manufacturing Relyon beds "it does appear that the extensive de-stocking carried out by retailers is now at an end, and our order position is much healthier than of late."

Trading profit and investment income amounted to £568,000, against £921,000, and pre-tax figure was struck after interest of £10,000 (same) on unsecured loan stock.

After corporation tax of £290,000, compared with £474,000, net profit was £268,000 (£437,000), giving earnings per 25p share down from 5.33p to 3.27p.

The interim dividend is effectively maintained, however, at 1.8p net, absorbing £148,000—last year's final payment was an adjusted 3p.

	Half year 1980 £000	1979 £000
Sales	5,703	6,480
Profit, inv. income	568	921
Interest	10	10
Pre-tax profit	558	911
Corp. tax	290	474
Net profit	268	437

GRINDLAY'S FORMS NEW DIVISION

Grindlay Brandts Insurance Brokers, a subsidiary of Grindlays Bank, as formed a new division to handle the insurances of financial institutions.

Mr. Jeffrey Funnell has been appointed a director of Grindlay Brandts Insurance Brokers and managing director of the financial institutions division.

Catalin dives to £0.1m loss

AFTER FORECASTING at the annual meeting that first half results would be "significantly inferior" to those achieved last year, Mr. A. J. Perryman, chairman of Catalin, says he did not anticipate the current poor results, which show a loss.

In the six months to June 29, 1980, the company, manufacturer of industrial resins and resin-treated papers, incurred a pre-tax loss of £195,000 compared with a profit of £190,000 last time.

The chairman says results for the second half are unlikely to be appreciably different from those now reported. At Wix International Corporation, in which Catalin has a 40 per cent interest, he expects losses in the second half to be lower than in the first half, but it is not expected to become profitable until 1981.

Catalin suffered a trading loss of approximately £50,000 from its Walthamstow factory (previously Resinfilms). Action is being taken to improve efficiency wherever possible and a complete rationalisation programme is under review.

The first indications are that the fulfilment of such a plan would markedly improve profitability, even in bad times such as the present.

Mr. Perryman says about 60 per cent of the company's costs are raw materials and, in theory, it should now be receiving very much reduced prices from its raw material suppliers. Apart from a few exceptional cases, the company has yet to see such reductions.

Turnover for the first six months advanced by £100,000 to £4.29m. The net loss after tax and minorities was £99,000 (profit £90,000).

Although sales were similar to the first half to the previous year, higher costs all round and competition from importers due to the strong pound caused appreciably lower margins. Equally, the strong pound very much reduced export margins.

Destocking by most of its major companies, particularly in the furniture industry, has caused a big drop in production. An increase of 96 per cent in export sales has made up much of this, but at significantly lower margins.

The chairman says Wix has been an unmitigated disaster. Sales were about 10 per cent higher, but this increase failed to offset the big increase in costs and lower margins due to very stiff competition.

Wix found itself heavily overstaffed when demand dropped so suddenly and the company was forced to make no less than 60 per cent of its workforce redundant with resulting high redundancy payments. The chairman says this savage setback has severely stretched cash resources, and this will continue until there is a reduction in high stock levels and the company's losses.

In the company's annual statement it was proposed to alter the date of the interim dividend payment. In the prevailing conditions, the board now feels this is premature and they propose this year, at least, to continue the practice of announcing the interim dividend in December for payment in January.

When the company is back on course, they will adopt the policy as outlined in the annual statement.

Last year's total payment was 3.8476p with an interim of 0.8339p. Pre-tax profits for the full year were £427,000 (£350,000).

BIDS AND DEALS

Thorn EMI sells its interest in Tricity Finance

Thorn EMI, electronic, lighting and engineering group, has reached agreement to sell its 49 per cent interest in Tricity Finance to Lombard North Central for £4.5m, payable in cash on completion.

Tricity Finance was formed by Thorn Electrical Industries in 1955 and has been jointly owned with Lombard, which is a subsidiary of National Westminster Bank, since 1959.

ELECTRONIC RENTALS

Philips Industries has reduced its shareholding in Electronic Rentals Group by selling 700,000 ordinary shares. Philips' revised shareholding in the company is 33.7 per cent and upon successful completion of the conditional share placing in relation to the Rentacolor acquisition by ERG the stake will be further reduced to 33.2 per cent.

This disposal represents only a minor adjustment to Philips' shareholding and Electronic Rentals Group is informed that it is not Philips' intention to make any major disinvestment.

REO STAKIS

Reo Stakis Organisation has agreed to purchase Dougalston Estate, Glasgow, from Ravenstone Securities, for £500,000 to be satisfied by the issue of Reo ordinary shares.

The estate includes Dougalston golf course and clubhouse.

As Ravenstone is controlled by Mr. Reo Stakis, the chairman of Reo, and his daughter, Mrs. Ridi Christopoulos, the acquisition is subject to shareholder approval.

WEEKS PETROLEUM U.S. EXPANSION

Weeks Petroleum has agreed, subject to appropriate government clearances, to acquire 25 per cent of Ogle Resources, Inc, through an exchange of assets and stock.

ORI is a newly formed corporation with extensive interests in U.S. oil, gas and mineral properties. Weeks believes it is to its advantage to exchange its mature producing properties for an interest in a company with a great diversity of exploration and production potential and with producing properties.

Weeks will be issued with 379,233 new shares in ORI. In exchange ORI will acquire Weeks' wholly-owned subsidiary, Weeks Petroleum Corporation, and will be issued with 2.27m new ordinary shares in Weeks (approximately 4.5 per cent of the existing ordinary and preferred share capital).

Application will be made to The Stock Exchange for the listing of the new Weeks ordinary shares.

At current middle market prices, the new shares would be valued at £8.6m which ORI will hold as an investment. Following the transaction ORI will have assets of some $200m. A Weeks nominee will be appointed to the ORI board.

Two Nelson David directors resign

MR. THOMAS OWEN and Mr. Howell David, have resigned as directors of Nelson David, the car and commercial vehicle retailer and repairer following a disagreement over group policy.

Miss Perdita Erith, a director, said yesterday that the two directors had been unable to accept group management objectives especially with regard to commercial vehicle stock levels at Nelson Garages (Swansea), the subsidiary for which they were responsible.

Miss Erith said that the Swansea Vauxhall and Bedford operation, one of the largest subsidiaries of the group with a turnover of £3m, was found to have an "unacceptably high" level of commercial vehicles stocks.

There was a "fundamental difference of opinion" with the two directors over the group's stocking policy in times of high interest rates and it was agreed that there should "be a parting of the ways."

Both directors are to be paid £10,000 compensation for loss of office apart from whatever other benefits they are entitled to.

Mr. David and Mr. Owen between them own some 320,000 shares and it is understood that around 100,000 of these shares changed hands in the market yesterday. The shares price, which had risen sharply, to 8p in late dealings on Thursday, closed 1p higher yesterday after fluctuating between 4p and 10p.

MALAYSIAN TIN DREDGING

The directors of Malaysian Tin Dredging say merger acceptances from Southern Malayan Tin, Southern Kinta Consolidated, Kramat Tin, Lower Perak Tin and Bidor Malaya Tin have been received in respect of 83.91 per cent, 83.35 per cent, 73.50 per cent, 89.55 per cent and 100 per cent respectively.

The figures do not include those acceptances which are still subject to verification.

All offers are now closed.

SHARE STAKES

Parkland Textile (Holdings): The following additional share holdings of Mr. P. H. T. Hanson, director, are reported. Ordinary shares as trustee 56,500. "A" ordinary shares beneficial and family, 161,939 and as trustee 128,656.

Forward Technology Industries: Mr. K. Cobley, director, has been appointed a trustee of the G. S. J. Allen family trust and accordingly is now interested in excess af 5 per cent of the share capital of the company. Mr. Cobley's interest amounts to 2.76m shares, including 2.73m held as a trustee of the G. S. J. Allen family trust.

Pifco advances to £2m year end

After rising from £501,000 to £656,000 at midway, pre-tax profits of Pifco Holdings, electrical appliances group, advanced to £2.01m for the year ended April 30, 1980, compared with £1.62m.

Result included investment income of £480,000 (£238,000) but was subject to tax of £602,000 against £770,000.

Earnings per 20p share are shown as 28.14p (17p) and the dividend is stepped up to 4.8p (4p) net with a final of 3.2p.

● **comment**

At a time when a great many companies are reeling from interest charges, Pifco has derived 24 per cent of its pre-tax profits from investment income. The company now has rather more than £3m cash on deposit, and no particular plans for acquisitions. With some companies that might make it a potential candidate for a bid but at Pifco the Webber family have voting control and such a fate is not on the cards. The liquidity reflects the innate caution of a company which is determined to carry on as it always has done—plugging away at its traditional business. Pifco is not giving much away about its experiences in the current year but does not seem to have suffered any material drop in demand. At 156p, up 6p, the "A" shares produce a yield of 4.4 per cent with a fully taxed p/e of about 8, which looks right for a share which is sound but rather unexciting.

May & Hassell outlook

Turnover, volume and margins of May and Hassell, timber group, were down and first quarter profits would be disappointing, Mr. J. H. B. Astley, chairman, told the annual meeting.

However the group was still very lightly bought for forward contracts and with reducing stocks, the cash flow was causing no problems.

With these conditions and a falling market, the advantage must be with the group to perform strongly in the second half. The chairman drew shareholders' attention to the fact that the group had made a profit for over forty years and always paid a dividend.

EXTEL GROUP

The name of the parent company of the Extel Group has now been changed from the Exchange Telegraph Company (Holdings) Limited to Extel Group Limited.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Corah ......int.	1.25	Oct. 9	1.25	—	2.9
David Dixon	7.73	—	6.72	9.95	8.5
Gaskell Broadloom int.	1	Oct. 1	1	—	2.8
Gold Fields SA	270‡	Oct. 3	155	400	225
Macdonald Martin A int.	3	Oct. 2	3	—	11.5
Macdonald Martin B int.	1.5	Oct. 2	1.5	—	5.75
Olives Paper ......int.	Nil	—	0.73	—	1.5
Phoenix Timber	3	Oct. 7	3	5	5
Pifco	3.2	Oct. 9	3.05	4.8	4
Relyon PBWS ......int.	1.8	Oct. 6	1.8*	—	4.8*

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ South African cents throughout.

MINING NEWS

Earnings of GFSA stride ahead

BY KENNETH MARSTON, MINING EDITOR

A PERIOD of striking growth in the prosperity of South Africa's gold mining industry is reflected in the results for the year to June 30 of Gold Fields of South Africa, 46 per cent-owned by London's Consolidated Gold Fields. Earnings have advanced to R125.4m (£69.5m), equal to 785 cents per share, from R66.7m in the previous 12 months.

The group is thus boosting its final dividend to 270 cents (150p) to make a total for the year of 400 cents against 225 cents for 1978-79, the latest payment being almost twice covered by earnings.

GFSA says that in order to avoid payment of South Africa's undistributed profits tax it will be necessary to pay part of the amount which will be available for the current year's interim, before the end of 1980. Because of this, the board intends to declare a first interim for 1980-81 of 55 cents in November and the balance as a second interim in February, 1981.

The latest results of GFSA speak for themselves. As in the case of the recent first half results from Anglo American Gold Investment, the company has been reaping the harvest of rising dividends from the gold mines; GFSA has been indulging in little share selling activities, leaving well alone.

But the group is also expanding in the base-metal field, notably in the partnership with America's Phelps Dodge at the big new Black Mountain mine in the north-west Cape which looks to become a real money-spinner and is expected to become financially self-supporting this year.

CRA's Madigan plan

THE PURCHASE for US$80m (£33.7m) by the Rio Tinto-Zinc group's 81.1 per cent-owned CRA of Texasgulf's Western Australian iron ore properties was described yesterday by Mr. Lang Hancock, the pioneer of iron ore development in the state, as the first step in the "Greater Madigan Plan."

According to Mr. Hancock, this plan is designed to give Western Australia a lead in world iron ore production by boosting output from the Pilbara region to its estimated maximum of 150m tonnes a year, building a new port at Ronsard to cater for vessels between 250,000 and 400,000 dwt, and constructing a more modern railway following a shorter downhill route to serve the port.

Mr. Russ Madigan, after whom the plan is named, is deputy chairman of CRA and chairman of Hammersley Holdings, one of the Pilbara-based companies.

He outlined the plan on a recent visit to Japan and said: "We do see a need for the Japanese and Australians jointly to look a long way ahead into the middle of the next century to preserve the trade in iron ore which has become such an important feature in the relationship between our two countries."

Botrest struggles on

THE struggling Selebi-Pikwe copper and nickel operation of Botswana RST (Botrest) did better in the first half, but remains firmly in the red. Production of copper-nickel matte was lower than that of a year ago because of the planned overhaul of the smelter. But this, together with the expansion projects, was accomplished in May 17 and the targets of a 55 per cent increase in concentrate output and 18 per cent in matter production have been since exceeded.

Sales of matte for the half year increased thanks to the ending of the strike at the Amax Port Nickel refinery which cleared the back-log of stocks. Higher metal prices were received but the heavy burden of interest payments had to be shouldered.

The net result is that Botrest comes out with a net loss of P7.8m (£4.94m) which compares with P4.06m in the same period of last year. It raises the accumulated loss to P78.23m.

Thus Botrest faces a long haul to better times and in view of the recent loan restructuring scheme the possibility of dividends becomes remote, "not for the foreseeable future" as the company puts it.

Results due next week

Oil companies come in all different shapes and sizes and there is quite a contrast between Royal Dutch/Shell and London and Scottish Marine Oil Company which are reporting first half figures on Thursday and Tuesday respectively. Most analysts expect Shell's second quarter net income to be around £650m against £718m in the first three months. The main difference is that stock profits will be much lower than the £320m in the first quarter, possibly by as much as £200m. Working in the opposite direction, however, is the FAS 8 currency adjustment which was negative by about £70m, but which in the second quarter should make a positive difference of over £100m.

Although natural gas and chemical earnings will be down there should be better contribution from Shell Canada and Shell's equity crude production is likely to be higher.

As far as LASMO is concerned, the first half of last year does not make much of a comparison because production from Ninian was only just beginning to build up. But in the second half the company made £21.4m and it should do just slightly better than that at the interim stage of the current year.

Barclays Bank will be the last of the four major clearing banks to reveal its interim figures when it makes an announcement next Thursday. But this has been a strange season for the banking world and the joker has been wild with respect to bad debt provisions. Analysts have been revising their forecasts downward and the range of estimates for the pre-tax profit from Barclays now fluctuates between £260m and £280m against last year's £244m in the first half. Growth will have been helped by higher loan volumes and interest levels as well as a good contribution from South Africa. But the bad debt provision could be around £60m. The interim dividend may be up to nearly 10p net against 8.25p last year, a rise of 20 per cent.

Leading composite, Royal Insurance, reports its interim results on Monday, following Commercial Union and General Accident this week. Like CU and GA, it is anticipated that underwriting losses will worsen in North America, offset partly by an improving position in the UK. However, continued steady growth in investment income should ensure that pre-tax profits are higher at the half-way stage ?expectations vary from £60m to £63m against £57m in the first half of last year. The anticipated rise in the interim dividend is of the order of 10 per cent.

* Analysts are expecting pre-tax profits of between £11m and £14m from Ocean Transport and Trading, which reports interim figures on Tuesday. This would be around double last year's figure of £6.6m, which was badly hit by problems in Nigeria and the UK lorry drivers' strike. Last year, Ocean's figures included a profit of £886,000 on ship disposals but this time the profits will be depressed to the tune of about £1m by the group's decision to decommission a carrier. On the trading front, however, the picture is much brighter with the OCL consortium enjoying a good year and the Nigerian liner trades vastly improved. A maintained dividend of about 4.3p is widely expected.

Next week's batch of companies reporting will also include Smith and Nephew's interim figures on Tuesday and London Brick's half-year results on Wednesday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Capital and National Trust (The)	Tuesday	1.75	4.0	1.75
Copson (F.)	Thursday	—	1.0	—
County and District Properties	Monday	0.32428	0.84612	0.5852
Dale Electric International	Thursday	1.4	2.725	1.4
Denbyware	Monday	2.1125	4.05805	2.1125
English Association of American Bond and Shareholders (The)	Monday	4.875	14.0	4.875
Gellas (A. and J.)	Thursday	1.4	2.1	1.5
Heath (Samuel) and Sons	Monday	—	†6.0	—
Jos Holdings	Tuesday	0.875	1.825	1.3e
Kennedy Smale	Tuesday	0.884	1.176	1.4
Martin (R. P.)	Monday	1.5	1.5	1.6
Mool Trade Suppliers	Tuesday	3.35	4.375	3.5
Pullman (R. and J.)	Thursday	1.68333	4.125	1.03
Reliance Knitwear Group	Thursday	1.54	2.149	1.54
Restmor Group	Tuesday	0.28	2.72	0.5
Scottish, English and European Textiles	Wednesday	0.737	1.68	0.8
Second Alliance Trust	Friday	2.0	5.76†	2.25
Vibroplant	Monday	4.422	7.98	5.25
INTERIM DIVIDENDS				
AI Industrial Products	Friday	0.85	—	
Alliance Trust (The)	Friday	3.65‡	6.35	
American Trust	Tuesday	0.6	1.25	
Barclays Bank	Thursday	6.875	8.54167	
Baynes (Charles)	Monday	0.4	0.6	
Benford Concrete Machinery	Friday	0.875	1.75	
Blagden and Noakes (Holdings)	[illegible]	[illegible]	4.75	
Staims (T. F. and J. H.) (Holdings)	[illegible]	[illegible]	[illegible]	
Clay (Richard)	[illegible]	[illegible]	[illegible]	

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Conder International	Monday	3.0	4.0	
Dufay Bitumastic	Tuesday	1.2	1.48	
First Scottish American Trust (The)	Thursday	1.2	3.0	
International Investment Trust (The)	Wednesday	1.47	2.33	
Johnson Group Cleaners	Wednesday	1.8	4.41	
London and Scottish Marine Oil	Tuesday	—	—	
Lovell (G. F.)	Tuesday	3.0	5.0	
Noble and Lund	Thursday	0.175	0.345¶	
Ocean Transport and Trading	Tuesday	4.2914§	4.6	
Pentland Industries	Friday	0.2985n	1.0	
Royal Insurance	Monday	8.25	13.25	
Sharpe (W. N.) Holdings	Monday	2.6218p	3.5	
Shell Transport and Trading (The)	Thursday	8.279	10.479	
Smith and Nephew Assoc. Companies	Tuesday	1.25	2.4	
Ward Holdings	Friday	1.19	3.01	
Wardle (Bernard)	Thursday	0.66	0.879	
Whittingham (William) Holdings	Thursday	2.0	4.0	
Woodhouse and Rixson (Holdings)	Tuesday	1.21092	0.52763	
INTERIM FIGURES				
Alexanders Holdings	Tuesday			
Hallam, Sleigh and Cheston	Friday			
London Brick	Wednesday			
Needlers	Thursday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes non-recurring dividend of 0.58p. ‡ Includes non-recurring dividend of 0.65p. ¶ Second interim. ‖ Interim dividend. § Includes special dividend of 3.1967p. e Includes non-recurring dividend of 0.3p. The following are compensating dividends included to allow for the change in the tax rate: n 0.0275. p 0.1218.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

The Trustee Savings Banks group is to take over 75 per cent of United Dominions Trust's £450m instalment credit business as part of a plan to establish itself as a major force in retail banking. Under the deal, which required Treasury and Bank of England consent, the TSB will inject £57.75m into a slimmed down UDT which will be stripped of all but its HP business. UDT's other trading operations, which range from the International Commodities Clearing House to Swan National, the motor hire group, are to be transferred to a new holding company, Endeavour Investments. Endeavour will retain a 25 per cent interest in UDT and the latter's shareholders will be offered new shares in Endeavour to replace existing ones. The deal ends six years of struggling for UDT following the 1974 secondary banking crisis when the company was propped up by £500m support loans.

One of the UK's major valve manufacturers, Pegler-Hattersley, in association with its partner Rockwell International, agreed to sell the jointly-owned McEvoy Oilfield Equipment operations to Smith International of Newport, California, for an expected consideration of about $80m.

Hiram Walker, the Canadian company, disposed of its near-5 per cent stake in Highland Distilleries worth £3.98m to a number of institutions following its unsuccessful £80m takeover attempt for Highland which was vetoed by the Monopolies Commission.

The Stock Exchange listing of Tanjong Tin Dredging was restored following the announcement that the D. Knok family interests of Malaysia had increased their stake in the company to 25.89 per cent and intended to make a 105p per share cash offer for the remaining shares.

Dealings in Edward Le Bas were suspended at the company's request at 53p pending the outcome of discussions which may result in the majority shareholder, Le Bas Investment Trust, making an offer for the outstanding 48.8 per cent minority.

Rothschild Investment Trust sold the bulk of its holding in Savoy Hotel to an unnamed buyer, believed to be the Kuwait Investment Office.

Yule Catto's bid for Revertex is based on nine Yule Catto shares plus 15 new 11½ per cent cumulative redeemable preference shares 1998-2003 for every 50 Revertex ordinary shares, worth about 47p per Revertex share; recent Bids and Deals tables incorrectly indicated a cash bid of 50p per share.

Prices in pence unless otherwise indicated.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
B & Q (Retail)	85*	80	66	1.66	F. W. Wlwrth.	—
Rio-Kil	150*	142	100††	1.50	Laporte	—
Christy-Bros.¶¶	30*	38	33	0.60	Simon and Coates	—
Corn Exchange	51½§§	50	47	11.45	British Land	—
County and Dist. Props.	190*	182	195	16.35	Costain	—
Hay's Wharf¶¶	250*	247	272	53.74	Kuwait Inv. Office	—
Hensher	102*	103	78	1.63	Tebbitt	27/8
Hensher 'A'	99*	101	75	3.17	Tebbitt	—
Kayser Bondor	100*§	46	56	0.67	Courtaulds	—
Lidstone	280*	310	290	0.51	Gresham Hse. Estate	—
Macanie (Lond.)	30*	30	23	0.36	Courtaulds	—
Manson Trust	39*	45	33	3.84	Hong Leong Finance	—
Mackinnon Scot.	49	47½	25½	1.16	Dawson	—
Marshall Cvndish.	31*	31	27	4.60	Times Publishg. Berhad	27/8
Nationwide Leisure	6*‡	8	9	0.66	Rantledge	—
Revertex	47§§	43	44	6.89	Yule Catto	22/8
Rolls-Royce¶¶	62½	60	56	36.93	Vickers	11/8
RTD	5½*	12	6½	0.12	Simon and Coates	—
Selection Trust	£12½	£12½	£12½	405.15	BP	10/8
Stanhope Gnl. Inv.	200*	192	170	2.56	Dares Estates	—
UK Props.	53½	51	47½	22.44	British Land	28/8
Wilkinson Match	187*§	177	160††	29.73	Allegheny Ludlum	—
Wolf Electric	121	115	62	15.96	Dobson Park	15/8

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 15/8/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. † Ordinary share alternative.

Rights Issues

Moorgate Mercantile: Rights issue on the basis of one for four at 14p to raise £0.5m†

† Approximate figure before expenses.

Scrip Issues

AGB Research: One for three.
Property Security Investment Trust: One for four.

Offers for sale, placings & introductions

Tesel Services: Has raised £5m through the private placing of 500,000 ordinary shares of £1 at £4 each and £3m worth of variable rate convertible unsecured loan notes 1987-90.

United Energy Resources: London listing of 25,958,736 shares of common stock of U.S. $1 par value.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Ahwood Machine	Mar.	178L	(75)	—	(2.1)	—	(0.4)
AGB Research	Apr.	2,900	(2,236)	12.2	(8.8)	6.0	(4.4)
Allen (W. G.)	Mar.	668	(661)	13.2	(10.0)	3.11	(2.86)
Amalgamtd Ests.	Mar.	331L	(116)	—	(—)	—	(—)
Assam Trading	Mar.	1,520	(1,410)	29.7	(26.3)	1.25	(1.0)
Cooper Inds.	Apr.	726	(2,050)	1.4	(3.7)	1.25	(1.25)
Glossop (W. & J.)	Jan.	422L	(502)	—	(8.7)	4.2	(4.2)
Grant Bros.	Jan.	60L	(88)	11.4	(1.6)	3.88	(3.88)
Hallite	May	786	(526)	24.4	(13.8)	7.75	(6.75)
Hwrd. Shuttering	Apr.	583	(410)	5.7	(4.0)	2.0	(1.54)
Imry Property	Mar.	1,220	(750)	12.0	(8.4)	7.5	(5.2)
Letraset	Apr.	12,100	(10,510)	16.2	(18.7)	7.14	(6.49)
Newmark (Louis)	Mar.	2,310	(1,875)	35.0	(30.0)	10.5	(9.0)
Prop. Security	Mar.	865	(360)	2.9	(1.2)	1.8	(1.6)
Reardon Smith	Mar.	116	(2,060)L	4.0	(—)	0.1	(0.1)
Rosgill Hldgs.	May	728	(1,126)	8.6	(10.8)	2.47	(2.31)
UDT	June	11,200	(20,100)	5.2	(12.4)	—	(—)
Webb (Joseph)	Mar.	561	(526)	2.4	(2.4)	0.56	(0.5)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Aquis Securities	June	92	(154)	0.3	(0.23)
Automotive Prod.	June	3,170	(7,880)	1.5	(1.5)
BOC International	June	47,700†	(51,400)†	—	(—)
BPC	June	6,540L	(60)	—	(1.1)
Carrington Viyella	June	1,210L	(5,090)	—	(0.7)
Comben Group	June	2,810	(2,300)	1.2	(1.2)
Commercl. Union	June	57,600	(58,100)	4.4	(4.0)
Dreamland Elect.	June	101L	(425)	0.35	(0.35)
General Accident	June	40,000	(30,500)	6.25	(5.5)
Horizon Travel	May	540	(496)	2.5	(1.87)
Manchester Ship	June	358	(1,970)	7.5	(7.5)
Nottingham Mnfg.	June	4,050	(6,050)	1.0	(1.0)
Ratcliffs (Gt.Bdg.)	June	65	(836)	0.75	(1.0)
Securicor Group	Mar.	3,270	(2,850)	0.5	(0.45)
Security Services	Mar.	2,860	(2,288)	0.91	(0.83)
Squirrel Horn	June	180	(318)	0.75	(0.75)
Transport Devpt.	June	12,210	(9,560)	1.45	(1.45)
Ultramar	June	60,000	(23,800)	4.0	(2.5)
Unilever	June	317,500	(306,400)	—	(—)
Woolworth (F.W.)	July	291	(16,260)	1.23	(1.35)

(Figures in parentheses are for corresponding period.)
* Dividends shown net except where otherwise stated. † First nine months. L Loss.

Heron expects increased profits and net worth

ALTHOUGH volatile economic conditions make it difficult to predict the outcome of the current year with any certainty, Mr. Gerald Ronson, chairman of the privately owned Heron Corporation, says in his annual statement that he is confident the group will again produce increased profits.

There will also be a substantial improvement in net worth, he adds, including the surplus which will arise from a property revaluation which has been commissioned.

As known, pre-tax profits in the year to March 31, 1980, rose from £8.23m to £10.79m, despite a sharp downturn in the quoted motor group side from £3.42m to £206,000. The dividend was effectively maintained at 1.72p.

The group's property portfolio has proved an effective hedge against inflation over the years, states Mr. Ronson, and the board continues to look for other investments which will provide a similar hedge in the next decade.

With this in mind, part of the available funds will be invested in natural resources, and the group is participating in an oil and gas exploration project which covers nine states of the U.S. Initial reports on this project are encouraging, says Mr. Ronson.

Meeting, Carlton Tower Hotel, London, SW, September 5 at noon.

Macdonald Martin £0.53m

Turnover of Macdonald Martin Distilleries increased from £6.09m to £6.82m in the first six months of 1980 but pre-tax profits were lower at £530,100 against £608,700 after increased interest of £612,300 (£297,900).

The interim dividends on the A and B ordinary shares are being maintained at 3p and 1.5p respectively.

In 1979 A ordinary dividends totalled 11.5p and 5.75p on the B shares.

STURLA HLDGS.

Acceptances in respect of the two-for-five rights issue of Sturla Holdings have been received for 86.5 per cent of the shares offered. The issue raised £300,000 for the company.

APPOINTMENTS

New National Girobank post

Mr. Walter Simpson has been appointed director business development, NATIONAL GIROBANK, from August 19. This is a new post and Mr. Simpson's responsibilities will cover business planning and a wide range of business development activities and administrative functions which Girobank's growth entails.

Mr. Simpson is currently director corporate planning and research at Post Office central headquarters — a post he has held since 1978.

★

C. T. BOWRING AND CO. has made Mr. R. V. Craig, Mr. J. W. S. Macdonald and Mr. J. W. Ramplin directors. Mr. Ramplin will also become chairman of C. T. Bowring Underwriting Holdings.

★

CHEMCO INTERNATIONAL LEASING INC., a subsidiary of Chemical New York Corporation has made senior changes in London. Mr. Richard M. Holloway, vice president and managing director of Chemco Equipment Finance (UK), becomes regional general manager for Chemco's Asian operations, based in Hong Kong. He is succeeded in London by Mr. David A. Moring, vice president, who returns from Toronto, where he was responsible for corporate development with Chemical New York (Canada).

★

COW AND GATE, Trowbridge, (a Unigate food division company), has made five executive Board appointments. Mr. Bernard Pendle, former UK sales and marketing director, becomes managing director; Mr. P. Mark Fairburst is appointed operations director, from export operations manager; Mr. Peter D. J. Greensmith, is appointed UK sales and marketing director. He was formerly UK marketing manager; Mr. Peter F. Mills becomes administration director from financial controller; Dr. John V. Stevens is made technical director from chief chemist; Mr. Hans C. Bang becomes export sales and marketing director.

★

Mr. V. S. Hunter, former director and chief chemist of Alfred H. Knight International, joins BASE METAL SYNERGY in a managerial capacity on August 18.

★

The Suffolk-based poultry processing firm, QUINTON FARMS, has appointed Mr. Roger Steeds as director and general manager. The company was formed to control the broiler interests of Dalgety-Spillers following acquisition of Sainsbury-Spillers.

★

Mr. K. Robertson has been appointed to the Board of HOGG ROBINSON (BENEFIT CONSULTANTS), a member of the Hogg Robinson Group, with responsibility for the Scottish division based in Glasgow. Mr. J. R. Potts, finance director of the Hogg Robinson Group has been appointed a director of COMPUTER COMMUNICATIONS an associate company.

★

Managing director of housebuilders E. G. M. CAPE (UK) Mr. Geoff Emes, and construction director Mr. Roy Dufresne, are joined by directors of Abbey Homesteads (Group), the UK housebuilding and plant hire subsidiary of Abbey, Dublin, which acquired Cape at the end of July. Joining the Cape Board are Mr. James Gallagher, Mr. Raymond J. Davies, Mr. Martin W. Hill, Mr. Jack V. Savage and Mr. Stephen Gould—Abbey's land buyer in the UK.

★

Mr. Ted Boreham, head of personnel at IPC MAGAZINES, has been appointed personnel director. He will also join the Boards of the Women's Magazines Group and the General Magazines Group of the company.

★

WELLMAN ALLOYS has appointed Mr. Arnold Gregory as sales director. He joins from the Brockhouse Castings and Forgings division, where has was divisional marketing manager.

★

Mr. John McLeod has been appointed a director of LONDON SUMATRA PLANTATIONS.

★

The Duke of Westminster has accepted the honorary position of president of the LONDON TOURIST BOARD. He succeeds Sir Anthony Milward, who is retiring. The Duke will commence his term on September 11.

★

Mr. Garey Toomey has been appointed to the BORG-WARNER transmission division board as controller and divisional director. He succeeds Mr. Tom Busby, who is taking up a position outside the company.

★

Mr. H. H. McHattie, senior manager, overseas department, BANK OF SCOTLAND, London, has been appointed chief overseas manager, in succession to Mr. I. D. Rae, who has retired. Mr. W. T. Moonie, a manager, overseas department, London, has been appointed senior manager in succession to Mr. McHattie.

CONTRACTS

Sewage plant for Hong Kong

BRUSH TRANSFORMERS and HAWKER SIDDELEY WATER ENGINEERING have won contracts worth a total of £1.5m to supply and install equipment for a sewage treatment plant for a new town in Hong Kong for the Public Works Department. Both companies are members of the Hawker Siddeley Group and are represented in Hong Kong by Hutchison-Boag Engineering.

★

A new lease of life is being given to the 50-year-old Boothferry swing bridge spanning the Ouse between Goole and Howden. The contract for the re-mechanisation of the bridge involving hydraulic, mechanical and electrical disciplines and worth £413,000, has been placed with ELRAM INTERNATIONAL ACTUATORS, Yeadon by the Humberside County Council.

★

PD OIL AND CHEMICAL STORAGE INC., a subsidiary of Powell Duffryn, has concluded a major storage contract with Exxon Chemical Company, U.S. Under the agreement PD Oil and Chemical Storage is providing a series of specialised tanks at its terminal at Bayonne, New Jersey, to enable Exxon to export its lubricating oil additives throughout the world.

★

TURRIFF PIPELINES, Warwick, has won contracts worth more than £2.5m, the largest of which is a Shell UK Exploration and Production contract worth £1.2m. Work began at the end of June on an 18 km of 457 mm diameter pipeline which will transport gas from the St. Fergus site to the Peterhead power station, the contract includes 24 km of 168 mm diameter line from St. Fergus to Cruden Bay. For West Midlands Gas, Turriff has won a £400,000 contract to construct a 250 mm diameter line from Alfrick to Malvern and to build an HP governor station at Alfrick. Current British Gas Corporation contracts are worth over £700,000 with a 20 km steel pipeline in Yorkshire and a hydrostatic testing contract in Northumberland.

★

TAYLOR INSTRUMENT, of Stevenage, Hertfordshire, has won a £1¾m contract for the supply of process control equipment for a lube oil plant in Alexandria, Egypt, to the Alexandria Petroleum Company.

★

INTERNATIONAL COMPUTERS has received an order for a 2900 computer system in Eastern Europe. The contract, valued at around £1m, is for an ICL 2950/10 computer. The system will be installed at The Institute of Physical Metallurgy—Ustav Fyzikalni Metalurgie—CSAV—part of the Czechoslovak Academy of Sciences, in Brno, Czechoslovakia, in December, 1980.

★

STOTHERT AND PITT, Bath, has won a contract worth over £1m to supply two cranes to Bechtel Great Britain on behalf of Mobil North Sea for the Beryl B platform. They will be delivered in the summer of 1981.

★

AFA-MINERVA (EMI) marine division has been awarded a contract worth almost £400,000 by Shell UK for fire protection systems in offshore gas platforms located in the southern North Sea fields.

LONDON TRADED OPTIONS

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	330	40	—	60	—	70	1	353p
BP	360	33	5	42	—	52	1	"
Com. Union	140	23	42	27	22	32	—	156p
Com. Union	160	8½	17	16	—	20	—	"
Cons. Gold	550	35	52	47	—	65	6	535p
Cons. Gold	600	15	2	27	—	—	—	"
Courtaulds	60	9	—	11	—	14	10	65p
Courtaulds	80	2	—	3	80	—	—	"
GEC	390	116	—	154	6	—	—	486p
GEC	460	54	6	76	—	96	—	"
GEC	500	28	15	50	5	72	—	"
Grand Met.	140	19	70	28	20	58	—	166p
Grand Met.	160	7	8	16	—	20	1	"
Grand Met.	180	2½	5	8	—	11	—	"
ICI	390	7	5	18	10	22	—	364p
Land Secs.	285	78	8	—	—	—	—	562p
Marks & Sp.	100	8	11	12½	11	17	—	102p
Marks & Sp.	110	4	4	7½	5	11	18	"
Shell	420	85	34	42	—	54	1	418p
Shell	460	11	—	94	—	34	1	"
Totals			254		136		36	
		August		November		February		
Imperial Gp.	70	11	—	13½	6	18	—	80p
Imperial Gp.	80	2	—	7	63	8½	—	"
Imperial Gp.	90	½	—	5	—	5½	10	"
Lonrho	74	19	1	25	—	27	—	92p
Lonrho	84	9	10	17	10	20	3	"
Lonrho	94	4	5	11	92	16	1	"
Lonrho	104	1½	—	8	7	11	—	"
Lonrho	114	½	—	4½	227	7½	3	"
P & O.	120	8½	—	16	—	18	10	128p
P. & O.	130	3½	10	8	2	12	—	"
Racal Elec.	260	18	10	37	—	49	1	277p
Racal Elec.	280	5	20	24	4	38	—	"
Racal Elec.	300	1	—	14½	8	28	—	"
RTZ	360	110	—	130	6	140	—	469p
RTZ	420	60	1	7	1	26	1	"
Totals			57		413		28	

CORAL INDEX: Close 482-487 (+6)

Malaysia rubber improves

With second-half pre-tax profits advancing from £116,750 to £136,635, the Malaysia Rubber Company reports figures up from £168,662 to £191,912 for the full year to March 31, 1980.

After tax up from £70,178 to £98,058, stated earnings per 10p share are down from 5.47p to 5.21p. The total dividend is up from 3.25p to 3.5p with an unchanged final of 2.5p.

Retained profits amounted to £30,854 compared with £39,984.

SPAIN

August 14	Price %	+ or −
Banco Bilbao	246	
Banco Central	248	
Banco Exterior	212	
Banco Hispano	224	
Banco Ind. Cat.	120	
Banco Madrid	141	
Banco Santander	276	
Banco Urquijo	139	
Banco Vizcaya	236	
Banco Zaragoza	215	
Dragados	104	+1
Espanola Zinc	63	
Fecsa	63	
Gal. Preciados	24	+0.5
Hidrola	68.2	+0.5
Iberduero	61	−0.2
Petroleos	112	
Petroliber	87	
Sogefisa	107	
Telefonica	58.5	
Union Elect.	68	+0.5

WORLD STOCK MARKETS

Early rise slows on Wall St.

STOCK PRICES headed broadly higher in early heavy trading on Wall Street yesterday as Institutions went on a buying binge that ignored fresh evidence that inflation is rising.

But by 1 pm the upward trend was losing its momentum and the Dow Jones Industrial Average slipped from 966.98 to 963.82, a net rise of 1.19 on the day and 9.13 on the week. The NYSE All Common Index, at $71.93, gained 12 cents on the day and $1.12 on the week.

Advances led declines by only a six-to-five majority, while trading activity slowed considerably from the first hour's flurry. Volume totalled 35.13m shares compared with 31.14m at 1 pm on Thursday.

Sabine, which advanced $8 on Thursday in the rush into Domestic Oil issues, slipped $3¾ to $56½ on profit-taking.

Buttes Gas and Oil also fell back by $1½ to $27¾.

However, Shell Oil had a small gain, while *Louisiana Land and Exploration* were up $1⅝ to $50½.

Among percentage movers, Four Phase System rose $2¾ to $27. *Dillingham* $1½ to $15¾, while Lake Shore Mines jumped $1½ to $12¾ in active trading (on the American SE).

Tesoro Petroleum, which rose $2¼ Thursday, was the most active NYSE-listed issue, on another $⅛ at $26¼ on speculation the company may be taken over or liquidated in the future.

Storage Technology, which has risen in active trading the past two sessions, was the second most active issue, up $¾ to $21¼ —it has been mentioned as a takeover target.

Gulf and Western was third on the active list, up $⅜ to $19¼.

Canada

Markets generally further improved around mid-day yesterday, although the Toronto Composite Index slipped 1.37 to 2,257.40.

The Gold Share Index gained 27.49 to 4,894.14, Metals and Minerals 0.25 to 2,245.31, Banks 1.58 to 390.64, Papers 0.54 to 204.12 and Utilities 0.47 to 268.94. Oil and Gas shed 22.80 to 4,853.26.

Closing prices for North America were not available for this edition.

Amsterdam

Share prices closed higher, with Unilever gaining Fl 1.90, Royal Dutch Fl 1.70 and KLM Fl 1.20 in Dutch Internationals.

ABN added Fl 4 at Fl 329, while AMRO were up Fl 1.90 on higher first half profits.

Turnover on the European Options Exchange fell to 1,826 (2,470) contracts, comprising 1,587 Calls and 239 Puts.

Royal Dutch the most actively traded class with 452 contracts, followed by Philips and AKZO with 296 and 276 contracts respectively.

Switzerland

Prices were again higher in expanded turnover, supported by continued good business in Switzerland, the overnight rise on Wall Street and the good development of the Bond Market.

Recently neglected Banks and Industrials improved, due to increased Foreign buying, with Union Bank of Switzerland, Swiss Bank Corporation, and Credit Suisse each higher.

Demand for leading Industrials improved.

Financials also rose, with Interfood, Elektrowatt and Motor-Columbus in demand.

Germany

Most leading equities slipped back a little in very quiet markets, reflecting the religious holiday in some parts of *Germany*.

Banks were all easier, as were Heavy Industrials, although some Motors resisted the downward pressure. AEG firmed DM 1.70 and Schering moved dramatically against the general trend, gaining DM 6.6.

Options prices were lower and turnover was down, with most interest for Chrysler, Philips, VW and Royal Dutch Calls.

Tokyo

Prices closed higher in fairly active trading, led by Blue Chips, following the overnight rise on Wall Street. Volume 350m (380m) shares.

Sony gained Y70 to Y2,580 and Matsushita Y11 to Y761 on active buying by Foreign investors and major *Investment Trusts*. Victor of Japan rose Y30 to Y1,920.

Hitachi were up Y10 at Y299, after Y300.

Other gainers included Kawasaki Heavy Industries, Y2 to Y192, Mitsubishi Heavy Industries, Y2 to Y187 and Kaken Chemicals, Y40 to Y1,310.

Some other speculatives such as Maruko, Sambako-Ocean and *Maruzen Showa Unyu* also gained ground, but Mitsui and Co., Mitsubishi Estate, Green Cross, Canon and Sankyo each fell on profit taking.

Hong Kong

Stocks closed mostly higher in active trading. The Hang Seng Index moved up 4.53 to a seven-year high of 1,177.37, with activity concentrated in "second line" Property stocks reflecting the high prices paid for land here recently.

Among the leaders, Hongkong *Wharf rose HK$1.50 to HK$76*, Hongkong Bank 30 cents to HK$18.30, Cheung Kong 10 cents to HK$22.20 and Hutchison Whampoa 50 cents to HK$12.30.

Property stocks to feature included Trafalgar, up 32½ cents at *HK$3.525*, Wah Kwong Properties, 15 higher at HK$2.60 and New World, 10 cents up at HK$5.20.

Singapore

Stock prices closed broadly lower. Virtually all Industrial Blue Chips, Properties and Banks declined. *Plantations* were little changed to lower.

One broker said the market went down under profit-taking from Malaysia that followed the re-opening of the Kuala Lumpur Exchange after an extended holiday. He also said the market could have been nervous ahead of Prime Minister Lee Kuan Yew's scheduled speech.

Australia

A round of highly selective buying carried some key stocks sharply higher. The All Ordinaries Share Index closed 7.38 up at *an all time high of 962.03* on heavy overseas buying in *Mining stocks*.

The buying didn't hit markets until mid-morning, indicating Hong Kong interests, but brokers were unable to locate the exact source of activity.

Investors confidently look to the future in *expectations* of a favourable Federal Budget.

The cash was directed at leaders like BHP, CSR, MIM and Western Mining. CRA were firm along with Ashton, but that seemed to indicate some new developments on the *diamond* fields. The driving force here was a separate money stream aimed at BHP and the rest.

WMC put on 14 cents to $A6.12, *Hamersley 10 cents* to $A4.60 and B. H. South 40 cents to $A5.

Among Gold issues CN Gold advanced 20 cents to $A11.50 and GMK 20 cents to $A8.40, while North Kalgurli rose 15 cents to $A1.75.

Johannesburg

ERPM featured firmer gold markets with a *R5.25 rise to R43.25* on news of its R300m expansion programme and rights issue.

Markets closed

Markets were closed yesterday in Austria, Belgium, Chile, Columbia, France, Greece, Italy, Lebanon, Luxembourg Portugal, and Spain for Assumption Day.

Paraguay was also closed for Foundation Day, South Korea, Liberation Day, and India (Calcutta) for Independence Day.

Indices

NEW YORK —DOW JONES

	Aug. 14	Aug. 13	Aug 12	Aug. 11	Aug. 8	Aug. 7	1980 High	1980 Low	Since Cmpil'tn High	Since Cmpil'tn Low
Industr'ls	962.63	949.28	952.38	964.08	954.69	950.94	964.08 (11/8)	766.15 (21/4)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	70.44	70.54	70.56	70.77	70.61	70.84	78.91 (25/81)	93.67 (28/8)	—	—
Transport	320.28	316.78	318.12	317.66	316.17	314.31	320.28 (14/8)	233.69 (27/3)	320.28 (14/8/80)	12.23 (8/7/32)
Utilities	110.56	116.19	116.45	110.26	119.41	109.68	110.90 (18/7)	96.54 (27/3)	163.32 (20/4/69)	10.52 (28/4/42)
TradingVol 000's†	47,700	44,350	52,050	44,690	58,860	61,820	—	—	—	—

Day's high 965.36 low 943.69

Ind. div. yield %	Aug. 2	Aug. 1	July 25	Year ago (approx)
	6.64	5.69	5.76	5.64

STANDARD AND POORS

	Aug. 14	Aug. 13	Aug 12	Aug. 11	Aug. 8	Aug. 7	1980 High	1980 Low	Since Cmpil'tn High	Since Cmpil'tn Low
‡Indust'ls	142.51	136.88	140.48	141.73	149.26	139.85	142.51 (14/8)	111.69 (27/7)	142.51 (14/8/80)	3.52 (30/6/32)
§Composite	125.25	123.28	123.78	124.79	125.61	125.30	125.25 (14/8)	98.22 (16.2)	125.85 (11/1/73)	4.40 (1/6/32)

	Aug. 8	July 30	July 25	Year ago (approx.)
Ind. div. yield %	4.81	4.70	4.79	5.13
Ind. P/E Ratio	8.12	8.23	8.20	8.81
Long Gov. Bond Yield	10.71	10.57	10.14	8.85

N.Y.S.E. ALL COMMON

Aug 14	Aug. 13	Aug. 12	Aug. 11	1980 High	1980 Low
71.21	70.68	70.92	71.45	71.81 (14/6)	55.30 (27/3)

Rises and Falls	Aug. 14	Aug. 13	Aug 12
Issues Traded	1,889	1,888	1,907
Rises	1,102	687	566
Falls	434	787	270
Unchanged	353	434	671
New Highs	137	71	141
New Lows	2	2	9

MONTREAL

	Aug. 14	Aug. 13	Aug. 12	Aug. 11	1980 High	1980 Low
Industrial	461.55	460.76	400.62	402.84	425.80 (29/2)	323.21 (27/3)
Combined	372.56	371.21	371.25	372.55	378.90 (25/2)	296.86 (27/3)
TORONTO Composite	2258.6	2241.5	2239.3	2240.6	2258.0 (14/8)	1762.5 (27/6)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Sony	1,413,300	11¾	+ ⅛	Gulf & Western	511,500	18⅞	+ ⅜
Tesoro Pet.	980,900	26	+ 2¼	RCA	492,200	27⅞	+ 1⅛
Storage Tech	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]700	69⅞	+ 2⅛
Am. Tel. & Tel	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]900	37¼	+ 3⅛
Warnr.-Lambert	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]700	38⅞	—

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	Aug. 15	Aug. 14	Aug. 13	Aug. 12	1980 High	1980 Low
AUSTRALIA						
Sydney All Ord. (1/1/80)	962.03	954.65	952.78	956.71	962.03 (15/8)	760.00 (2/1)
Metals & Mins (1/1/80)	6201.36	6126.91	6096.75	6120.61	6680.85 (14/2)	4381.26 (28/6)
AUSTRIA						
Credit Aktien (2/1/62)	(c)	67.32	67.59	67.99	68.40 (7/1)	66.05 (25/6)
BELGIUM						
Belgian SE (31/12/63)	(c)	95.47	90.21	90.09	105.75 (11/2)	90.14 (31/3)
DENMARK						
Copenhagen SE (1/1/73)	85.49	85.88	86.64	87.20	87.20 (12/8)	74.78 (5/5)
FRANCE						
CAC General (29/12/61)	(c)	109.3	109.1	109.5	117.8 (22/2)	97.1 (3/1)
Ind Tendance (28/12/79)	(c)	114.3	115.6	113.8	114.3 (14/8)	95.6 (3/1)
GERMANY						
FAZ-Aktien (31/12/58)	236.16	235.24	236.64	237.69	238.96 (25/2)	212.73 (28/3)
Commerzbank (Dec. 1953)	740.6	740.6	745.7	747.5	749.2 (25/2)	607.8 (27/3)
HOLLAND						
ANP-CBS General (1970)	87.0	86.6	87.2	87.6	88.6 (25/7)	74.6 (27/6)
ANP-CBS Indust. (1970)	66.4	66.4	67.0	67.7	68.2 (11/1)	56.2 (28/3)
HONG KONG						
Hang Seng Bank (31/7/64)	1177.37	1172.84	1162.80	1156.41	1177.37 (15/8)	738.9 (19/3)
ITALY						
Banca Comm. Ital (1972)	(c)	(u)	116.22	117.75	116.22 (13/8)	83.11 (2/1)
JAPAN						
Dow Average (16/5/49)	6830.01	6824.00	6834.52	6801.68	6884.81 (25/4)	6475.93 (27/3)
Tokyo New SE (4/1/68)	475.55	474.30	474.51	471.60	475.55 (15/8)	449.01 (10/3)
NORWAY						
Oslo SE (1/1/72)	129.46	127.89	126.57	126.87	144.78 (14/2)	116.12 (28/3)
SINGAPORE						
Straits Times (1966)	586.61	593.61	580.70	(c)	593.61 (14/8)	428.76 (3/1)
SOUTH AFRICA						
Gold (1958)	—	703.1	766.4	744.3	783.1 (8/8)	546.5 (2/7)
Industrial (1958)	—	602.9	600.0	601.0	602.9 (14/8)	456.0 (2/1)
SPAIN						
Madrid SE (29/12/79)	(c)	104.33	104.28	104.87	104.33 (14/8)	93.78 (15/5)
SWEDEN						
Jacobson & P. (1/1/58)	376.90	370.24	370.36	376.66	388.98 (8/2)	364.72 (17/1)
SWITZERLAND						
SwissBankCpn. (31/12/58)	314.1	311.7	316.7	310.1	317.9 (11/2)	278.6 (28/3)
WORLD						
Capital Intl. (1/1/70)	—	156.1	149.7	149.9	150.1 (14/8)	128.5 (27/3)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

Profits and pay-out rise at United Overseas

By Georgie Lee in Singapore

UNITED OVERSEAS Bank, one of the big four banks in Singapore, has announced sharply higher profits, an increased dividend and a rights issue to raise S$127m (US$55m).

For the first six months of 1980 it had pre-tax profits of S$63.8m, a gain of 53 per cent. The bank expects earnings for the year as a whole to show significant growth and, meanwhile, is lifting its interim dividend to 6 per cent from 4.17 per cent.

The rights issue is to support the continuing growth of the bank. Capital is going up from S$2.3m to S$255m. The issue is to be a one-for-five at S$3 a share.

The rights issue will bring the capital base more into line with the bank's increasing scale of operations and also will enable UOB to act on present and future opportunities in its domestic and international business.

The company expects to at least maintain the same rate of dividend on the enlarged capital.

● Sharp profit gains are also reported by the Development Bank of Singapore which is 46 per cent ahead at the operating level for the opening half of 1980. After tax, profits are S$22.4m, compared with S$15.3m.

DBS is rewarding shareholders with an interim gross dividend of 7 per cent, the first time it has declared an interim dividend.

Total assets of DBS, which is majority-owned by the Singapore Government, stood at S$6.32bn at the end of June, 27 per cent higher than a year ago.

Faster growth in earnings for two Dutch banks

BY CHARLES BATCHELOR IN AMSTERDAM

PROFIT GROWTH at two of the largest Dutch banks, Amsterdam Rotterdam Bank and Algemene Bank Nederland, accelerated in the first half of 1980. Both banks have increased their interim dividends and are fairly optimistic for profits in the year as a whole.

AMRO, the third largest bank in balance sheet terms, will increase its interim payout to Fl 2.50 per share from Fl 2.40 last time. Consolidated net profit rose 18.9 per cent to Fl 143m ($74m) in the first six months compared with the 8 per cent increase achieved for the whole of 1979. AMRO paid Fl 115m into its provision for general risks against Fl 90m last time and set aside Fl 104m (Fl 88m) for tax.

Profit per share rose 7.5 per cent to Fl 5.19 after allowing for an increase in capital. Balance sheet total rose 8.3 per cent to stand at Fl 91.1bn.

Describing the growth of business volume as "satisfactory," AMRO said Euro-currency business rose more quickly than its basic business which expanded by 14 per cent. Bank lending rose 14.7 per cent or by Fl 6.1bn in the 12 months to the end of June.

AMRO expects a further increase in business volume in the second half of the year though the rate of growth will be slower. The bank hopes to achieve a "reasonable" increase in net profit this year.

ABN, which is number two in the Dutch league, plans to increase its interim payment to Fl 12.50 per share from Fl 12 last year. Net profit rose 22.4 per cent to Fl 157.2m following growth of less than 1 per cent over the whole of 1979. ABN made provisions of Fl 90m for general risks against Fl 70m last time, and set aside Fl 125.8m for tax (Fl 106.3m).

Profit per share rose 17.9 per cent to Fl 25.69 after making adjustments for the increase in capital. ABN's balance sheet total rose 9.6 per cent to stand at Fl 95.1bn ($49bn) at the end of June.

ABN also reports that the net profit of its fully-owned merchant bank subsidiary, Mees en Hope, fell slightly in the 1980 first half. Profit was Fl 300,000 lower at Fl 16.3m. Mees's result is included in ABN's consolidated results.

ABN's Board said it expects a "satisfactory" rise in the level of net profits for the year as a whole.

DSM climbs out of the red

BY OUR AMSTERDAM CORRESPONDENT

DSM, the Dutch state-owned chemicals group, made a strong recovery in the first half of 1980 to move strongly out of the red. Business slackened towards the end of the six months, however, and "if this continues the second half will show a considerably lower result," it said.

The company returned to a net profit of Fl 92.1m ($47m) in the half-year, compared with a loss of Fl 35.6m. The first half exceeded the Fl 89m profit recorded in the whole of 1979. Operating profit increased nearly five-fold but a sharply higher tax charge reduced the improvement at the after-tax level. Consolidated turnover rose 26 per cent to Fl 7.8bn due almost entirely to higher sales prices. This in turn reflected an increase in chemical feedstock and natural gas prices. DSM acts as the Government's representative in the gas sales and distribution company, Nederlandse Gasunie.

While chemical sales rose 7 per cent volume sales of natural gas were lower because of the relatively mild winter.

DSM increased its margins at the operating level in nearly all divisions despite a rise in wage and other costs. The company noted, however, that this year it no longer faced the cost of bringing on stream new production capacity which weighed on last year's result.

Markets began to deteriorate towards the end of the first half in nearly all sectors. If this process is maintained and prices remain under pressure the second half result "will fall appreciably short of that of the first half."

Investments totalled Fl219m in the first half compared with Fl282m last year. The workforce was cut by 400 to 31,400

Funding plan by Israeli bank

By Our Financial Staff

THE INVESTMENT arm of Israel Discount Bank, the third largest Israeli bank, has submitted a prospectus covering a rights issue, an offer to its employees and an issue to the public designed to raise I£249m (about $4.78m).

The rights issue by Discount Bank Investment Corporation will be in the form of 8.44m shares and 1.68m share option warrants.

Magirus-Deutz in deficit

BY OUR FINANCIAL STAFF

MAGIRUS-DEUTZ, the West German truck manufacturer controlled by the Fiat group, had a loss of DM 50.8m ($29m) in 1979, up from a loss of DM 48.7m in 1978, according to the company's annual report published yesterday.

Fiat is due to become Magirus-Deutz's sole owner when Kloeckner - Humboldt - Deutz (KHD), the West German maker of diesel engines and industrial equipment, transfers its 20 per cent stake in the parent company, Iveco.

Magirus-Deutz said the 1979 loss was partly due to higher interest payments on borrowed capital. Magirus-Deutz's liabilities to banks increased to DM 660m from DM 323m

Sales rose 14.6 per cent to DM 2.21bn in 1979 from DM 1.92bn in 1978 while output of Magirus-Deutz commercial vehicles rose 8 per cent to 20,183 units from 18,686 units.

Clyde in legal move over bid fight

By James Forth in Sydney

CLYDE INDUSTRIES, the engineering group, has taken legal action to prevent Peko-Wallsend, the mining and industrial group, from implementing an agreement which would give it control of Production Equipment, the materials handling company.

Clyde recently made a takeover offer for Production, only to have Peko announce a lower offer and claim that it had already entered into an irrevocable agreement giving it 57 per cent of Production's capital.

Clyde argued that Peko had breached listing requirements by acquiring more than 20 per cent of Production before announcing either a formal offer or that it would stand in the market for one month and take all Production shares offered.

The Melbourne Stock Exchange has to date taken no action on Clyde's complaint. Clyde is also seeking a court order requiring the Exchange to enforce its listing requirements.

If Clyde is successful the Exchange could be required to suspend trading in or delist Peko shares, or alternatively to direct sharebrokers not to buy Production shares for Peko or parties acting in concert.

Clyde alleges in its writ that Peko has breached both the Companies Act and the stock exchange listing requirements.

In the Supreme Court of Victoria yesterday Mr. Justice Marks issued interim injunctions restraining Peko and the family interests of the founder, the late Mr. Walter Krauss from taking any further steps to implement an alleged irrevocable agreement to sell to Peko their 57 per cent equity in Production.

Clyde and Peko both propose cash offers with alternative share-cash terms. The Clyde cash proposal is A$4.15 for each Production share—worth A$16.85m (US$19.5m) in total—and the Peko counter is A$3.75 a share.

Korvettes' main lenders reach agreement on debts

BY PAUL BETTS IN NEW YORK

THE THREATENED collapse of Korvettes, the financially troubled New York department store chain, appears to have been averted following an agreement between the chain's French parent, Agache Willot, and its main lenders.

The agreement will see an affiliate of the French company acquire Korvettes' outstanding debts of about $55m and make an immediate part-payment to the lenders which include three leading New York banks and the Prudential Insurance Company of America.

The part-payment in cash is understood to involve about $26m, while the balance is expected to be settled early next year.

In turn, the banks have agreed to release about $5m of Korvettes' deposits seized last week when the chain's chairman, Mr. Joseph Ris, unexpectedly resigned after a "misunderstanding" with the Korvettes' parent company board over the chain's financial rescue plan. Mr. Ris was subsequently reinstated after the problems with the parent were ironed out.

The French group rejected an earlier agreement negotiated between Mr. Ris and Korvettes' lenders involving the conversion of Korvettes' debts into preferred stock and a 25 per cent share in Korvettes' profits for the next seven years for the three banks and insurance company.

In a statement, Korvettes said Agache-Willot proposed to inject substantial working capital into the chain in the hope of restoring confidence in it.

The amount of fresh money to be provided to Korvettes and the latest agreement with the banks has to be discussed and formally approved by the Agache-Willot board meeting in France next week.

Korvettes, New York's second largest retailer, has been operating under extreme financial difficulties for the past two years. It was bought by Agache-Willot last year for $51m.

Bache replaces head of commodities department

BY OUR NEW YORK STAFF

BACHE, one of the six largest publically held U.S. investment brokers whose loans to the Hunt brothers exposed the firm to huge losses during the silver market collapse last spring, is planning top level management changes in its commodities department.

Bache yesterday confirmed that Mr. Elliot Smith, head of the department, is to be replaced by Mr. James Barton who has headed Bache's Canadian division.

Mr. Smith ran the commodities department during the turmoil in the silver market earlier this year. But Bache said yesterday he had managed to triple revenue from Bache's commodities operations during the years he headed the department.

This was taken to indicate that the move was not regarded as a demotion for Mr. Smith who will take charge of Bache's metals company dealing in precious and non-ferrous metals but not futures contracts.

South African retailer lifts payment

By Des Kilalea in Johannesburg

EDGAR'S, South Africa's largest clothing, footwear and household textile retailer, has reported a 52 per cent increase in pre-tax profit to R33.1m ($43.70m) for the year to July 5 compared to R21.8m. Turnover rose 29 per cent to R296.2m ($39m) against R228.9m for last year. The group, which operates 428 stores in Southern Africa, has lifted its final dividend to R2.45 against R1.75 for a year's total of R3.85 against R2.85.

Edgars has also become the first retailer in South Africa to change to last-in-first-out (Lifo) stock valuation thereby improving cash flow by R1.9m through tax saving. This change meant a reduction in reported earnings to R8.37 a share from R9.75. The 1979 total was R6.50 on the old accounting bases.

Mr. Adrian Bellamy, the managing director, attributes the substantial profit improvement to booming consumer spending and management efforts to cut costs and improve productivity. One measure of the increase in productivity was a rise in sales per square metre of floor area to R928 (from R779).

HK hotel group advances

BY PHILIP BOWRING IN HONG KONG

HONGKONG and Shanghai Hotels, a Kadoorie group company, announced a 42 per cent increase in after-tax profit for the six months ended June to HK$51.8m (US$10.46m). The interim dividend was raised from 28 cents to 30 cents. The group benefited from high occupancy and increased tariffs during the period.

However, it viewed with caution the outlook for arrivals in Hong Kong. It forecast that profit growth for the whole year would be less than 25 per cent on last year's HK$79.29m. A significant part of the improvement would come from rentals of flats and shops.

● Wing Lung Bank, which went public earlier this year, announced a 75 per cent increase in profit for the six months ended June to HK$35.2m (US$7.11m). Earnings per share were HK$1.85

COMMODITIES/REVIEW OF THE WEEK

U.S. strike hopes push copper lower

BY OUR COMMODITIES STAFF

COPPER PRICES fell sharply on the London Metal Exchange yesterday encouraged by signs of a possible break in the deadlock which has caused a seven-week strike of U.S. copper workers.

This followed an announcement by Kennecott, a leading U.S. producer, that it had agreed to meet the United Steelworkers' Union on August 19.

Earlier in the week Kennecott had announced that it would make no contracted deliveries this month because of the strike, though it did not actually declare force majeure.

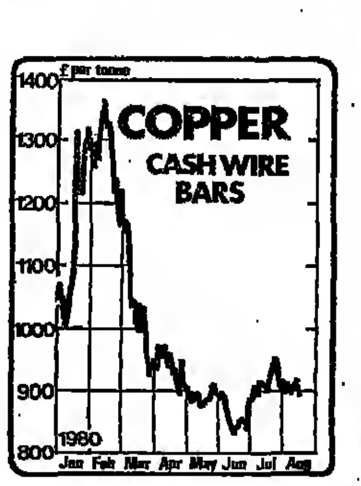
With the strike providing the main background strength, the LME cash copper wirebars price climbed to £921 a tonne on Thursday. But it fell £26.5 yesterday to end the week £11.25 lower on balance.

The U.S. labour situation also boosted lead prices.

The cash price climbed to £374 a tonne in midweek largely on fears of a strike at Bunker Hill, but the rise, which was also encouraged by a sharp fall in U.S. refiners stocks announced this week, was later trimmed back. After a £7 fall yesterday, partly encouraged by copper's decline, cash lead closed £9.5 up on the week at £366 a tonne.

Despite having a relatively featureless week cash standard tin ended £147.5 down at £7,122.5 a tonne and cash zinc £11.5 up at £331 a tonne.

The International Tin Council met in London this week to discuss a U.S. offer of tin to the International Tin Agreement buffer stock. No agreement was reached, however, as the U.S. wanted to receive the ruling market price while some members of the Agreements buffer stock committee felt it should only get the Agreement "floor" price, which is about 24 per cent lower.



On the sugar futures market the January position climbed to £371.5 a tonne at one time but after a sharp fall yesterday ended the week at £365.875 a tonne, up £8.375 on balance.

The rise had been encouraged by reports of China buying 50,000 tonnes of raw sugar from the Philippines, a forecast that the Mexican crop would be 7 per cent down and news of a swap deal between the Thailand Government and Tate and Lyle under which the Thais exchanged 220,000 tonnes of raw sugar for 200,000 tonnes of whites.

Export licences were granted on 74,500 tonnes of white sugar at this week's EEC sale—the highest export allotment so far this season. This, together with a lower than expected export levy, tended to hold back the price rise.

Coffee prices continued their modest recovery from recent four-year lows with the November futures position on the London market ending £29 up at £1,292.5 a tonne following a £17 rise yesterday.

The mild weather in Brazil, which had encouraged the decline, continued but dealers evidently felt the fall had been somewhat overdone and there were more buyers in the market. Support buying by the "Bogota" group of Latin American producers was also thought to have influenced this week's rise.

The failure of the group to prevent the decline through the operation of its $450m price support fund has caused serious concern among producers. Talks continued this week on strengthening the fund and Mexico and Venezuela were reported to have offered extra contributions of $50m each. Brazil the world's biggest producer, has not yet announced whether it will provide any more money, however.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
METALS					
Aluminium	£810/815	—	£710/50	£810/815	£760/70
Free Markets c.i.f.	$1850/1880	+90	$1,540/60	$2180/2200	$1655/65
Antimony					
Free Market 99.6%	‡	—	$2,960/3,050	$3,435	$3200/3300
Copper Cash Wire Bars	£894.5	—11.25	£902	£1 372	£833
3 months Do. Do	£918.5	—11.75	£879.6	£1,376.5	£855.5
Cash Cathodes	£863.5	—8	£858	£1,316	£808
3 months Do	£888	—10.5	£881.5	£1,343.5	£832
Gold per oz	$624.9	—11	$299.875	$852	$473
Lead cash §	£366	+2.5	£539	£579	£299.9
3 months §	£379	+9	£533.25	£4715	£308.75
Nickel	£3,186.43	—	£2,864	£3,477	£3,186.43
Free Market c.i.f. lb	290/305c	—	945/970c	515/545	265/295c
Platinum per oz	£182.60	—	£155.3	£195	£182.50
Free Market per oz	£267.50	—7.65	£174	£466.3	£250
Quicksilver (76lbs.)	$400/415	—	$275/283	$405/413	$370/380
Silver per oz	637.20p	—5	418.75p	2,165.05p	467.60p
3 months per oz	693.75p	—15.05	428.05p	2,185.05p	483.5p
Tin cash	£7,122.5	—147.5	£6,707.5	£8,350	£7,040
3 months	£7,127.5	—33.6	£5,697.5	£8,385	£7,116
Tungsten Ind	$143.89	—	$142.99	$144.50	$137.75
Wolfram (22.04 lb)	$148/131	—	$141/147	$148/151	$129.50/104
Zinc cash	£331	+11.5	£293	£400	£282
3 months	£343.25	+12	£303	£415.5	£292.25
Producers	$760	—	$780	$895	$760
GRAINS					
Barley					
Home Futures	£94.15	—0.55	£90.9	£101.55	£89.95
Maize					
French No. 3 Yellow (Amer)	‡	—	£107.75	£195.50	£113
WHEAT					
No. 1 Red Spring	‡	—	‡	‡	‡
Am. Hard Winter	£93.25	—2.5	£100	£106	£91.0
Eng. Milling (new crop)	‡	—	‡	‡	‡
SPICES					
Cloves (g)	£3 750x	—	£3,350	£4,175	£3,760
Pepper, white	$2,150x	—	£2,750	$2,323	$2,150
" black	$1,600x	—	$1,950	$2,023	$1,575
OILS					
Coconut (Philippines)	$623	—	$1,030	$925	$570
Groundnut 5%	‡	—	‡	£467	‡
Linseed, Crude	£407	—	£400	$464	£368
Palm Malayan	$535t	—	$650	$725	$505
SEEDS					
Copra (Philippines)	$457.5y	—	$685	810	$360
Soyabeans (U.S.)	$319y	—	$312.9	$334	$260.a
OTHER COMMODITIES					
Cocoa Shipment	£1,085	—	£1556.	£1,546	£1,023
Cocoa Futures Dec.	£1,025.5	+9	£1,476	£1,513.5	£980.5
Coffee Futures Nov.	£1,292.5	+29	£1,802	£1,784.5	£1,162.5
Cotton Index	95.25c	+2.15	77.45c	98.40c	85c
Des. Coconut	£700	—	£710	£740	£700
Jute LJ ABW C grade	£191y	—	£243	£225	£191
Rubber kilo	61.50p	+3	57.50p	90p	55.50p
Sago Pearl	£205x	—	£195	£216	£204
Sisal No. 3 L	$840	—	$860	$885	$840
Sugar (Raw)	£334	+14	£102	£359	£164
Tapioca No. 1	£208x	+1	£190	£221	£202
Tea (quality) kilo	146p	—4	138p	150p	152p
" (plain) kilo	70p	—	63p	73p	55p
Wooltops 64s Warp	286pkilo	—	307p	308p kilo	276p kilo

‡ Unquoted. (g) Madagascar. (x) Aug./Sept. (y) Sept. (s) Sept./Oct. (t) Oct.

MARKET REPORTS

BASE METALS

COPPER—Fell sharply on the London Metal Exchange following news that Kennecott are to resume talks with the labour unions. Forward metal opened around £930 but fell away throughout the day, owing to lack of support and a fresh decline on Comex, to touch the day's low of £906 on the afternoon kerb prior to a close of £907. Turnover 28,550 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	901-2	-14	894-5	-26.5
3 months	919-.5	-15	912-3	-26.2
Settlem't	902	-14	—	
Cathodes				
Cash	871-2	-14.5	852-5	-25
3 months	894-5	-16	887-9	-25.0
Settlem't	879	-16	—	.....
U.S. Prod	.....		*100-108	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £901, three months £921, 20, 21, 22, 22.5, 23, 22, 21, 20, 16, 18, 19, 19.5. Cathodes, three months £894. Kerb: Wirebars, three months £919.5, 19, 20, 19, 16, 19, 19.5. Afternoon: Wirebars, three months £912, 13, 12.5, 13, 15, 16, 15, 14.5, 14, 13, 12, 12.5. Kerb: Wirebars, three months £912.5, 12, 11, 10.5, 09, 08, 09, 07, 06.

TIN—Lower following persistent hedge selling and forecasts of a rise in stocks. Forward metal opened at £7,150 and gave ground to touch £7,090 owing to the hedge selling. However, this level met resistance as covering against physical business prompted a minor rally which left three months at £7,130 on the late kerb. Turnover: 1,805 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7080-90	-110	7120-5	-52.5
3 months	7100-10	-82.5	7125-30	-80
Settlem't	7090	-110	—	-45
Standard				.....
Cash	7080-90	-110	7120-5	-52.5
3 months	7100-10	-72.5	7125-30	-50
Settlem't	7030	-110	—	.....
Straits. E.	†$2131	-7	—	-6
New York	—	.....		

Morning: Standard, cash £7,100, 7,090, three months £7,130, 25, 20. Kerb: Standard, three months £7,100, 7,110. Afternoon: Standard, cash £7,120, three months £7,130, 20, 25, 30. Kerb: Standard, three months £7,125, 30. High Grade, mid-September £7,180.

LEAD—Steady as initial weakness, prompted by the fall in copper, was followed by good fresh buying and short covering. Three months opened at £383 and dropped to £375 in the wake of profit-taking and hedge selling ...

LEAD

ZINC

ALUMINIUM—... recovering to end the day at £745, after £746. Turnover: 5,050 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	774-9	+9.0	775-8	+8.5
3 months	743-4	-1.25	744-6	-1.5

Morning: Three months £744, 43. Afternoon: Three months £742, 44. Kerb: Three months £745, 49, 45.

NICKEL—Held steady in quiet and routine trading with forward metal finally £2,835 on the late kerb. Turnover: 288 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2812-8	+7.6	2812-7	-3
3 months	2835-40	+9	2838-40	+1.5

*Cents per pound. ‡$M per picul. †On previous unofficial close.

Morning: Three months £2,835. Kerb: Three months £2,840. Afternoon: Three months £2,830, 35, 40.

SILVER

Silver was fixed 1.2p an ounce higher for spot delivery in the London bullion market yesterday at 667.2p. U.S. equivalents of the fixing levels were: spot $15.86, up 2.9c; three-month $16.26, up 2.4c; six-month $16.596, up 2.3c; and 12-month $17.493, up 3.5c. The metal opened at 665p-674p ($15.8-$16), and closed at the same level.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffici'l	+ or —
Spot	667.20p	+1.20	667.5p	-5.5
3 months	693.75p	+1.25	693.5p	-6.25
6 months	714.00p	+1.20	—	.....
12 months	759.60p	+1.30	—	.....

LME—Turnover 94 (88) lots of 10,000 ozs. Morning: Three months 695.5, 95, 94, 93.5. Kerbs: three months 693.5. Afternoon: three months 694, 93.5. Kerbs: three months 694.5, 93, 90, 89, 90.

COCOA

The market traded very quietly with many producers and consumers on holiday for Assumption Day. Values slipped marginally during a dull morning session until weekend booksquaring brought in modest buying which was checked by producer price-fixing in New York and left prices £8 above Thursday's close, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
Sep	976-980	+2.0	981.75
Dec	1025-23	+9.0	1028.13
March	1058-69	+9.0	1069.59

COFFEE

GRAINS

The UK Monetary Coefficient for the week beginning Monday, August 18, is expected to change to 0.970.

WHEAT Mnth	Yesterday close	+ or —	BARLEY Yesterday close	+ or —
Sept.	95.05	+0.05	90.05	-0.05
Nov.	98.10	-0.30	94.15	-0.15
Jan.	102.20	-0.45	98.20	-0.20

RUBBER

SOYABEAN MEAL

WOOL FUTURES

POTATOES

SUGAR

COTTON

MEAT/VEGETABLES

AMERICAN MARKETS

NEW YORK, August 15.

THE LIVESTOCK markets were mixed as recent sharp moves are being absorbed in the market place. Grain and soya markets sold off again on continued profit taking. Sugar declined sharply on reports of improved production prospects in Europe. Copper was down the limit on news that a major refiner would hold talks with the striking union. Precious metals declined sharply on rumours that the U.S. would resume its gold sales. Cocoa advanced on speculative interest following a favourable Dutch grind figure. Coffee was strong on dealer interest in Brazilian offerings. Profit taking in cotton pushed prices lower, reported Heinold.

Potatoes (round whites)—Nov. 88.0-88.3 (89.5), March 121.0-123.0 (125.0), April 147.5-149.0. Sales: 4,182.

Sugar—No. 11, Sept 33.20-33.30 (34.46), Oct. 33.90-34.00 (35.20), Jan. 34.80, March 35.15-35.40, May 34.30, July 33.00-33.20, Sept. 31.40, Oct. 30.70-30.75, Jan. 25.00. Sales: 11,500.

Tin—771.0-781.0 (779.0-787.0).

CHICAGO, August 15.

Chicago 1mm Gold—Aug. — (604.0), Sept. 617.0-619.0 (632.0), Oct. 623.3, Dec. 633.5-635.0, Jan. 640.6, March 653.5, April 660.0, June 673.0.

Lard—Chicago loose 23.00 (22.75). New York prime steam 23.00 (same).

Live Cattle—August 74.50-74.60 (74.40), Oct. 70.25-70.10 (70.42), Dec. 69.45-69.60, Jan. 70.85, Feb. 71.00-71.15, April 72.20-72.40, June 73.50.

Live Hogs—August 50.20-50.25 (49.62), Oct. 44.60-44.70 (45.15), Dec. 46.25-46.35, Feb. 48.80-48.75, April 47.30-47.20, June 50.40, July 51.35, August 51.10, Oct. 50.30.

‡‡Maize—Sept. 333½-333 (337), Dec. 333-333½ (336¾), March 341-341½, May 344, July 344, Sept. 337.

Pork Bellies—August 52.60-52.85 (52.20), Feb. 63.50-63.70 (64.60), March 63.30-63.60, May 64.20, July 64.20, August 63.45.

Silver—August 1,576.5 (1,600.0), Sept. — (1,610.0), Oct. 1,595.0, Dec. 1,626.5, Feb. 1,660.0, April 1,693.5, June —, August 1,760.5, Oct. —, Dec. —, Feb. —, April —, June —, August —, Oct. —, Nov. —.

†Soyabeans—August 731-728 (748), Sept. 733-732½ (752¾), Nov. 755-752, Jan. 767½-766, March 781-783, May 786, July 786, August 780½.

‖Soyabean Meal—August 205.0-205.9 (209.7), Sept. 207.0-207.9 (212.0), Oct. 209.5-210.0, Dec. 213.5-214.5, Jan. 215.1-215.5, March 217.5, May 216.0-218.5, July 219.0-219.5, August 215.0, Sept. 214.5-216.0.

Soyabean Oil—August 25.35 (26.40), Sept. 25.65-25.70 (26.53), Oct. 25.90, Dec. 26.30-26.20, Jan. 26.40-26.35, March 26.65-26.60, May 26.75-26.80, July 26.95, August 26.90, Sept. 26.80-26.85.

†Wheat—Sept. 445-444 (447½), Dec. 466-467½ (467½), March 485, May 489½-488½, July 485½-486½, Sept. —.

WINNIPEG, August 15. §Barley—Oct. 133.00 (134.00), Dec. 133.20 (134.10), March 134.30, May 134.60.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 241.44 (242.14).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

Aug. 14	Aug. 13	M'nth ago	Year ago
276.47	277.12	274.56	285.22

(Base: July 1, 1952=100)

MOODY'S

Aug. 14	Aug. 13	M'nth ago	Year ago
1247.5	1244.0	[illegible]	1068.5

(December 31, 1931=100)

DOW JONES

Dow Jones	Aug 14	Aug. 13	Month ago	Year ago
Spot	450.88	452.54	434.49	392.17
F'tur's	461.75	461.10	459.43	410.01

(Average 1924-25-26=100)

REUTERS

Aug. 14	Aug. 13	M'nth ago	Year ago
1755.5	1798.9	1697.6	1569.8

(Base: September 18, 1931=100)

UK NEWS

Bank moves on Treasury bills to stabilise market

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT took further action yesterday to stabilise financial markets in the aftermath of the 5 per cent jump in the money supply last month.

Following the weekly Treasury bill tender, the Bank of England announced that £200m of bills would be offered next week, replacing £300m of maturities, the first time the amount offered has changed since February, 1979.

The reduction in the amount of bills on offer is largely a reflection of the current shortages in the money market.

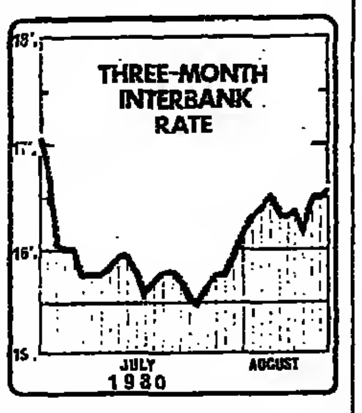
These have meant that the Bank has been selling £300m of bills every week (with £3.9bn outstanding) only to buy some back each day from the discount market in order to relieve shortages of money.

In addition, the Bank is understood to have altered some of its dealing rates on Treasury bills to prevent possible distortions in the money markets.

This action followed the Bank's announcement on Thursday of the extension for a month of £750m of temporary assistance to the banking system.

All this is aimed at preventing a rise in short-term interest rates. Further shortages have been anticipated in view of large calls in the next few weeks on recent sales of partly-paid gilt-edged stocks and a £700m payment of petroleum revenue tax on September 1.

Nevertheless, short-term interest rates have risen in recent weeks. Three-month interbank rate — a key influence on the cost of part of the banks' deposits — has risen by more than one percentage point to just over 16½ per cent in the past three weeks.



This rise was yesterday reflected in an increase from 14 to 14½ per cent in the rate of interest paid on certificates of tax deposit issued under the series five prospectus. This will apply from next Monday.

There will also be a reduction from 3 to 2½ per cent in the rate of interest supplement but with an extension of the period which this is paid from two to three months. This takes account of movements in market rates since the prospectus was issued at the end of last month.

There was a small rise—0.04 per cent to 14.91—in the Treasury bill rate at yesterday's tender, but this change is not regarded as significant.

Prof. Smith for Kitchen Queen

PROFESSOR ROLAND SMITH, who has become deputy chairman with a £50,000 three-year contract of House of Fraser, the department store group which owns Harrods, has agreed to join the board of Kitchen Queen, a furniture group non-executive director he will get £5,000.

Earlier this year Kitchen Queen had an unexpectedly high £2m loss in the six months to February 29. These were drastic actions to shore up the group's weakened finances through a series of disposals.

Professor Smith said yesterday that after a reconstruction, he was asked to join the board this spring.

Earlier this week he resigned from three of his many directorships, Owen Owen, Record Ridgeway, and Unicorn Industries, announcing that he planned to withdraw from several other commitments to devote more time to House of Fraser.

He stressed yesterday that he would trim his other commitments, adding that he agreed to join the board of Kitchen Queen some months ago.

Mr. Antonia DeBlasio, Mr. Aniello DeBlasio and Mr. R. Greenhalgh have resigned from the board and their directorships of the other companies in the Kitchen Queen group.

Professor Smith will act as deputy chairman at Kitchen Queen. To the board of the company come Mr. S. R. Machell, managing director of Moben Manufacturing; and Mr. J. Crossley, managing director of Moben Continental Kitchens.

Furniture orders on increase

By James McDonald

FURNITURE RETAILERS who have been slashing prices over the past few months to clear their stocks, are placing limited re-orders with furniture manufacturers at keen prices.

At this week's trade show in Manchester several manufacturers said they had taken more orders than expected.

Expectations were admittedly low in the middle of the worst furniture slump in a decade, with redundancies and short-term working widespread throughout the industry.

Too early

"It is still much too early to speak of any overall climb from the present recession but some retailers have experienced an improvement in trade during recent week," said Mr. Malcolm Perring, vice-chairman of the Furniture Information Council.

"This is undoubtedly due to the exceptional values offered at summer sales, which have helped many retailers to overcome their previously over-stocked situation, enabling them at least to order keenly-priced goods for their floors for the autumn."

Manufacture

The limited re-ordering may allow some manufacturers to ease short-time working "although for how long no-one knows," said Mr. Perring.

Industry forecasts for August showed slight increases in manufacturers' deliveries into furniture stores and in their order books.

EUROPEAN OPTIONS EXCHANGE

Series		Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	April Vol.	April Last	Stock
ABN C	F.280	1	49.50	—	—	—	—	F.329
ABN C	F.300	12	28	8	32	—	—	"
ABN C	F.320	22	11	6	12.50	2	14.50	"
AKZO C	F.22.50	159	1.30B	26	2.10	4	2.70	F.22.90
AKZO C	F.25	48	0.40	8	0.80	10	1.20B	"
AKZO P	F.22.50	—	—	—	—	10	1	"
AKZO P	F.25	13	2.20	—	—	—	—	"
AMRO C	F.65	14	5.50	2	5.90	—	—	F.70.50
AMRO C	F.70	28	1.90	—	—	14	2.50	"
KODA C	$50	8	14⅝	—	—	—	—	$64⅛
KODA C	$70	60	1½	1	2⅛	—	—	"
HEIN C	F.55	5	3.50A	—	—	—	—	F.58.10
HEIN C	F.60	19	2	16	3.20	—	—	"
HEIN P	F.60	6	3.10	8	5.30	—	—	"
HOOG C	F.17.50	20	0.70	80	1.10	—	—	F.16.60
HOOG C	F.20	—	—	5	0.50	—	—	"
IBM C	$60	5	9⅝	1	10½	—	—	$68⅞
IBM C	$65	62	5⅜	6	6¾	—	—	"
IBM C	$70	39	2⅞	—	—	1	5⅜	"
IBM C	$75	33	⅞	—	—	—	—	"
KLM C	F.60	1	7.90	—	—	—	—	F.68
KLM C	F.70	28	2.10	11	3.40	4	4.90	"
KLM P	F.60	—	—	5	3	—	—	"
KLM P	F.70	2	6.30	—	—	—	—	"
NATN C	F.120	21	1.80	6	3.50	—	—	F.117.20
NATN P	F.110	—	—	5	1.80	—	—	"
PHIL C	F.15	10	3.30	—	—	—	—	F.18.80
PHIL C	F.17.50	15	1.10	—	—	—	—	"
PHIL C	F.20	43	0.30	80	0.60	46	1	"
PHIL P	F.20	30	1.80	20	2.20A	20	2.20	"
PHIL P	F.22.50	42	4.10	—	—	—	—	"
POLA C	$20	8	9	—	—	—	—	$29⅛
POLA C	$30	32	1⅛	10	3	—	—	"
OLIE C	F.160	38	13.50	—	—	—	—	F.172.40
OLIE C	F.170	61	5.60	46	7.60	1	8.80	"
OLIE C	F.180	69	1.90	105	3.20	50	4.60	"
OLIE P	F.145	3	0.50	—	—	—	—	"
OLIE P	F.160	4	1.60	70	3.60	—	—	"
OLIE P	F.180	—	—	3	14.70	—	—	"
UNIL C	F.120	71	4	3	5	1	5.80	F.122
UNIL C	F.120	—	—	5	4.50	—	—	"
EXON C	$70	4	3⅛	—	—	—	—	$71¼
XERO C	$60	3	3⅞	—	—	—	—	$62
		Aug.		Nov.		Feb.		
BOEI C	$35	18	2⅝	—	—	—	—	$37½
BOEI C	$40	—	—	10	8	—	—	"
OCCI C	$25	7	1½	—	—	—	—	$26¾
SIEM C	DM.286.50	—	—	5	8.50	—	—	DM286.50
SLUM C	$90	6	45¼	—	—	—	—	$134½
SLUM C	$100	18	34¼	—	—	—	—	"
SLUM C	$110	11	24⅛	—	—	2	27	"
SLUM C	$120	55	15½	10	17¼	—	14½	"
SLUM C	$130	—	—	—	—	12	—	"
SLUM C	$140	—	—	10	4¼	—	—	"
VESA C	DM150	6	1	—	—	—	—	DM151.50

TOTAL VOLUME IN CONTRACTS [illegible]

C=Call

هكذا من الأصل

Stock Exchange dealings

Thursday, August 14	16,903
Wednesday, August 13	16,626
Tuesday, August 12	17,865
Monday, August 11	18,861
Friday, August 8	20,696
Thursday, August 7	19,816

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days, these are distinguished by the date shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessary in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. Θ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." SA—$Australian; SB—$Bahamian; SC—$Canadian; SHK—$Hong Kong; SJ—$Jamaican; SMa—$Malayan; SMe—$Mexican; SNZ—$New Zealand; SS—$Singapore; SUS—$United States; SWI—$West Indian.

BRITISH FUNDS (401)

DENOMINATED IN FOREIGN CURRENCY

CORPORATIONS (23)

PUBLIC BOARDS (13)

COMMONWEALTH GOVTS. (16)

FOREIGN STOCKS (2)

STERLING FOREIGN CURRENCY BONDS

FOREIGN CORPS. (—)

2t. Petersburg 4½pc (1814 Iss.) £4 (13/8)

BANKS (112)

Alexanders Discount 262 (12/8)
Allen Harvey Ross 395Θ
Allied Irish Banks (Ir£0.22) 117Θ. 10pc Ln. (Ir£100) 125 (8/8)
Ansbacher (Henry) Hldgs. (2p) 14½ (11/8)
Australia New Zealand Bnkg. Grp. (A$1) 232 (13/8)
Bank of Ireland (Ir£1) 320 (11/8)
Bank of Montreal (C$2) 10⅞ (8/8)
Bank of New South Wales (Lon. Reg.) (A$1) 183Θ 3 2
Bank of Nova Scotia (C$1) 12⅛ (8/8)
Bank of Scotland 255
Barclays Bank 395Θ 87Θ 9)Θ 90 87 5 8 8¼pcLn. 67½Θ 7
Barclays Bank Intnl. 7½pcLn. 64½ (13/8)
Brown Shipley Hldgs. 345Θ 61Θ 5½pc Ln. 42 (12/8)

BREWERIES (73)

COMMERCIAL (1,444)

ELECTRIC LIGHT (—)

FINANCIAL TRUSTS (64)

GAS (4)

Imperial Continental Gas 783Θ 80 5 8pcUnsec.Ln. 109 (12/8)

Downturn in ro-ro traffic

BY OUR SHIPPING CORRESPONDENT

THE long-predicted downturn in the growth of commercial roll-on/roll-off freight traffic is beginning to show through in the official statistics.

In the first quarter of 1980, the number of commercial vehicles crossing by ferry between Britain and the Continent increased by 11 per cent. This compares with an annual growth rate of 16 per cent in 1979.

Statistics in the latest issue of British Business show that accompanied vehicle traffic fell lightly in the first quarter of 1980 to 80,000 units.

However, the real downturn in commercial ro-ro freight started in the second quarter of 1980 and the next set of figures are expected to show the beginning of the first major recession in what has up till now been one of the fastest growing segments of the transport industry.

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Boots	25p	7	226	+4	226	158
Unilever	25p	7	495	+8	512	388
BAT Inds.	25p	6	280	+5	290	223
Derritron	10p	6	32½	−1	35	14
Marks & Spencer	25p	6	102	+1	102	77
Plessey	50p	6	241	+9	241	105
Barclays Bank	£1	5	405	+13	430	327
BP	25p	5	352	—	412	320
European Ferries	25p	5	189½	+4	191	98
House of Fraser	25p	5	147	—	152	104
ICI	£1	5	366	+4	402	348
MFI Furniture	10p	5	51	−1	89	45
P. & O. Defd.	£1	5	127	—	135	105
RTZ	25p	5	470	+2	495	327
Shell Transport	25p	5	418	+2	432	314

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
ICI	£1	35	366	—	402	348
Shell Transport	25p	35	418	+8	432	314
Marks & Spencer	25p	33	102	+1	102	77
Unilever	25p	33	495	+25	512	388
GEC	25p	30	466	+4	494	326
Boots	25p	29	226	+9	226	155
BP	25p	29	352	−6	412	320
European Ferries	25p	29	189½	+5½	191	98
Commercial Un.	25p	28	155	+15	162	125
GKN	£1	28	231	−11	279	228
Ultramar	25p	27	356	+10	384	266
Western Mining	$A0.50	27	304	+20	304	177
Woolw'th (F. W.)	25p	27	54	−1½	71½	51
Barclays Bank	£1	26	405	+10	430	327
Plessey	50p	26	241	+20	241	105

INSURANCE (78)

[illegible]

INVESTMENT TRUSTS (117)

[illegible]

UNIT TRUSTS (4)

(NO STAMP DUTY)

[illegible]

MINES

Australian (14)

[illegible]

Miscellaneous (24)

[illegible]

Rhodesian (3)

[illegible]

South African (59)

[illegible]

West African (1)

[illegible]

Diamond (4)

[illegible]

OIL (71)

Attock Petroleum (20p) 234⊕ 2
British Borneo Petroleum Syndicate (10p) ...
British Petroleum (25p) 350 48 7 6. Ord. (Rest Transfd) (25p) 349⊕ 20. 8pc1st Pf. 62½ (11/8). 6pcDb. 96¼ (11/8)
Burmah Oil 190⊕ 3⊕ 89 90. 7¼pcPf. 52 (11/8). 8pcPf. 58 (11/8). 7½pcLn. 74½. 6½pcLn. 90 (8/8). 8½pcLn 83½
Century Oils Grp. (10p) 88⊕. New (10p) 87 (12/8)
Charterhall (5p) 64 3 (12/8). New (5p) 61½ (13/8)
Charterhouse Petroleum New (25p) 75⊕ 3⊕ 5 4 5½ 5 ½
Hunting Petroleum Services (25p) 147

KCA Intnl. (25p) ...

[illegible]

PROPERTY (48)

[illegible]

RUBBER (7)

[illegible]

UK RAILWAYS (2)

[illegible]

FOREIGN RAILWAYS (—)

Costa Rica 80 (11/8)

SHIPPING (14)

[illegible]

TEA (1)

[illegible]

TRAMWAYS (—)

[illegible]

CANALS (1)

[illegible]

WATERWORKS (4)

[illegible]
Folkestone Dist. 12½pcDb. 96¼ (8/8)
Lee Valley Water 3.5pc (fmly 5pc) 29 (11/8). 4.55pc (fmly 6½pc) Pf. 76½ (13/8)
Newcastle Gateshead 8½pcPf. 1085 (£10 Pd.) 8¹⁄₁₆ 0 8⅞
North Surrey 4.55pc (fmly 6½pc) Pf. 99 (11/8)
Rickmansworth Uxbridge 13pcOb. 101¼ (11/8)
Sunderland S. Shields 7pcOb. 86½ (11 8)
York 4.2pc (fmly 6pc) Pf. 72 (13/8)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

AUGUST 14

[illegible]

AUGUST 13

[illegible]

AUGUST 12

[illegible]

AUGUST 11

[illegible]

AUGUST 8

[illegible]

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange

* Denotes Irish currency.

AUGUST 14

[illegible]

AUGUST 13

[illegible]
Maddock 8½ 0
Mainline Electronl 34
Manchester Utd. FC 180 95
Nationwide Leisure 7½ 8½
New Court Natural Resources 58
North Sea Assets 98
Norton Villiers Triumph 3 ½
Oldham Estates 132 5
Quest Automation 150 3
Rolta and Nolan Computer Services New 71 2
Sheraton Securities Intnl. 17½
SPO Minerals 97 9 6
United Electronic 74¹¹⁄₁₆ 5 6½ 8
Winchmore Inv. 7st. 44 ½

AUGUST 12

[illegible]

AUGUST 11

[illegible]
All England Lawn Tennis Ground £6,300 500
Allied Intnl. Designers 31
Applied Computer Techniques 415 20 2
Ascot TV Rentals 0½
Baker Electronic New 91½ 103 5 0 7 9 ½ 10 11 12 13 98
Caledonian Offshore 150
Cambridge Petroleum Royalties 225 43 35 40 50
Camra (Real Ale) Inv. 95 160 97
Channel Hotels and Props. 15½ 10
Church Army Housing Society £15½
CIC Inv. (1p) 2¼ ½ ⅜
CIC Inv. (10p) 2¼
Clairmace 10½
Clyde Petroleum 480 2 76 03 5 75 80

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration

* Denotes Irish currency.

AUGUST 14

Aran Energy 485*
Aran Energy 482*
Berkeley Exploration and Production 187 90 2
Candecca Resources 185 0 7 8 9
Candecca Resources New 185 8
CCP North Sea Associates 243
Cluff Oil 330 5 40
Marinex Petroleum New 137 40
Pict Petroleum 350
Sovereign Oil and Gas 278 80 3. 90

AUGUST 13

[illegible]

AUGUST 12

[illegible]

AUGUST 11

[illegible]

AUGUST 8

Aran Energy 426 8 32 4 5 0 80*
Berkeley Exploration and Production 178 80 2 3 4 5 0 7 8
Candecca Resources 183 4 5 0 7 ½ 8 ½ 9 98 1 2 3 4 ½ 5 0
Candecca Resources New 180 5 6 9 91 3 5 7
CCP North Sea Associates 240
Cluff Oil 335 45
Gas and Oil Acreage 380 8
Marinex Petroleum New 140 1 2 3 4 8 7
Pict Petroleum 340 65 60
Sovereign Oil and Gas 280 2 3 5 8 72 3 5 7 80
Sun Oil Company (UK) 555 60

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 11.75 3 mths.
Anglia	10.25	10.50	11.75	13.00 6 yrs., 12.50 5 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.25 3 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— Share a/cs 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.55 6 mths.
Cheltenham and Gloncester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mth. not.
Coventry Economic	10.25	10.50	11.75	12.00 4 yr., 11.5 3 yr., 11.25 3 mth. not.
Coventry Provident	10.25	10.50	12.50	12.55 av. 5 yrs., 12 4 yrs., 11.25 3 m.n.
Derhyshire	10.25	10.50	11.75	11.30 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gsteway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	12.25 6 mth., 11.75 3 mth., min. £1,000
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 mths. notice
Hearts nf Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.50	12.50 5 yrs., withdrawals aft. 19 mths.
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
Malton Mowbray	10.35	10.60	11.75	13.10 6 yrs., 12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.75	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.00 1 yr.
New Cross	11.00	11.25	—	11.25-12.50 on share accs. depending on min. balance over 6 mths.
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.00	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Property Owners	10.25	11.00	12.25	12.50 av. 4 yr., 12 6 mth., 11.55 3 mth.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 11.6 WDL 1 mth. loss int.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-12.50 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstnw	10.25	10.60	11.75	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 6 mth. not. WDL min. 3 yrs.
Wnolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

The Treasury bill rate fell by 0.0473 per cent at yesterday's tender to 14.9091 per cent and the minimum accepted bid rose to £96.28 from £96.27. Bids at that level were met as to about 42 per cent and above in full. The £300m bills on offer attracted bids of £871.38m, and all bills offered were allotted. Next week £200m will be on offer, replacing £300m of maturities, the first time the amount offered has changed since February, 1979.

Day-to-day credit was in short supply in the money market due mostly to the call on Treasury 12 per cent, 1987, and the repayment of Thursday's moderate official lending. In addition, the market had to face a small net take up of Treasury bills to finance, and a small increase in the note circulation. The authorities gave assistance on a very large scale, comprising small purchases of Treasury bills from the banks, and very large loans to eight or nine discount houses at MLR, for repayment on Monday. The shortage was eased slightly by a moderate excess of Government disbursements (including rate support grant) over revenue transfers to the Exchequer.

In the interbank market weekend money opened at 16½-16¾ per cent and touched 16⅞-17 per cent, before coming back in stages to 15¼-15¾ per cent. Closing balances were taken at 16½-16¾ per cent.

EXCHANGES AND BULLION

Sterling continued to improve in currency markets yesterday reaching a new five and a half year high in trading restricted by closures in most European centres for a religious holiday. The pound's trade weighted index rose to 75.7 from 75.6 on Thursday, having stood at 75.6 at noon and in the morning. Trading during the morning was extremely quiet, but demand for sterling picked up after lunch, as New York entered the market, with sterling boosted by the latest Retail Price Index.

Against the dollar it opened at $2.3765-2.3775 and was quoted at $2.3760-2.3770 at noon, showing hardly any change. After easing to $2.3720-2.3730 on brief dollar demand, sterling rose some time after 4 pm to a high of $2.3825. It closed at $2.3800-$2.3810, a rise of 40 points from Thursday's close.

The dollar showed little change, closing at DM 1.7860 against the D-mark, compared with DM 1.7840 previously, and SwFr 1.6450 from SwFr 1.6440 in terms of the Swiss franc. It also rose against the Japanese yen, finishing at Y225.65 against Y224.35. On Bank of England figures, the dollar's trade weighted index rose to 84.5 from 84.4.

Gold closed at $623-626 in very quiet trading in the London bullion market, and showed a fall of $2 an ounce.

THE POUND SPOT AND FORWARD

Aug. 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3720-2.3825	2.3800-2.3810	1.35-1.25c pm	6.55	3.57-3.47pm	5.91
Canada	2.7520-2.7620	2.7565-2.7595	1.75-1.65c pm	7.39	4.23-4.12pm	6.06
Nethlnd.	4.60-4.63½	4.62-4.63	2⅞-1⅞c pm	6.16	7½-6½ pm	6.05
Belgium	67.55-68.00	67.80-67.90	30-20c pm	4.42	75-65 pm	4.13
Denmark	13.10-13.16	13.14½-13.15½	1¾-2¾ore dis	−1.77	3¼-5¼ dis	−1.38
Ireland	1.1210-1.1265	1.1235-1.1245	0.07-0.12p dis	−1.01	0.08-0.15dis	−0.41
W. Ger.	4.23½-4.26½	4.25-4.26	3¼-2¼pf pm	8.11	9-8 pm	7.99
Portugal	117.50-118.20	117.90-118.10	25c pm-25 dis	—	55pm-70dis	−0.25
Spain	171.70-172.50	172.15-172.25	60-115c dis	−6.10	245-360dis	−7.03
Italy	2005-2015	2009-2011	26-32lire dis	−17.31	60-68 dis	−12.74
Norway	11.52-11.57	11.55-11.56	4⅞-2⅞ore pm	3.76	12½-11 pm	4.09
France	9.80½-9.85	9.83½-9.84½	5¼-4¼c pm	5.79	14-13 pm	5.49
Sweden	9.88-9.93	9.91½-9.92½	1¾-¾ore pm	1.51	3½-2½ pm	1.23
Japan	532-539	536½-537½	2.25-1.90y pm	4.64	7.05-6.60 pm	5.08
Austria	30.00-30.15	30.08-30.13	17-14½gro pm	6.28	41½-37 pm	6.21
Switz.	3.90-3.93	3.91¼-3.92¼	4¼-3¼c pm	11.49	11¼-10¼ pm	10.98

Belgian rate is for convertible francs. Financial franc 68.70-68.80. Six-month forward dollar 5.50-5.40c pm. 12-month 7.65-7.55c pm.

GOLD

	Aug. 15		Aug. 14	
Gold Bullion (fine ounce)				
Close	$623-626	(£262-263¼)	$625-628	(£263-264⅛)
Opening	$625-629	(£263-264¼)	$620-623	(£261-262¼)
Morning fixing	$626	(£263.335)	$623	(£262.073)
Afternoon fixing	$624.5	(£262.682)	$626	(£263.413)
Gold Coins				
Krugerrand	$644-646	(£270¼-272¼)	$644-647	(£270⅛-272⅛)
Mapleleaf	$639-643	(£268¼-271¼)	$640-644	(£269¼-272¼)
New Sovereigns	$158½-159½	(£66¼-67¼)	$162¼-158¼	(£68½-67¼)
King Sovs	$126½-127½	(£77¾-78¾)	$185-197	(£77½-79)
Victoria Sovs	$195½-127½	(£77¾-78¾)	$185-187	(£77½-79)
French 20s	$157½-158½		$181-164	
50 pesos Mexico	$773-777		$771-776	
100 Cor. Austria	$612-616		$611-618	
$20 Eagles	$748-752		$748-752	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

Aug. 15	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.381	4.256	537.0	9.840	3.918	4.625	2010.	2.759	67.85
U.S. Dollar	0.420	1.	1.787	225.6	4.134	1.648	1.943	844.4	1.159	28.50
Deutschemark	0.235	0.652	1.	126.8	2.313	0.921	1.087	472.4	0.648	15.95
Japanese Yen 1,000	1.862	4.433	7.924	1000.	18.32	7.295	8.613	3743.	5.132	126.4
French Franc 10	1.016	2.412	4.324	545.7	10.	3.981	4.700	2043.	2.804	68.95
Swiss Franc	0.258	0.608	1.086	137.1	2.512	1.	1.181	513.1	0.704	17.32
Dutch Guilder	0.218	0.515	0.920	116.1	2.128	0.847	1.	434.6	0.527	14.67
Italian Lira, 1,000	0.498	1.184	2.117	267.2	4.896	1.942	2.301	1000.	1.373	33.76
Canadian Dollar	0.362	0.863	1.542	194.6	3.567	1.420	1.676	728.5	1.	24.58
Belgian Franc 100	1.474	3.508	6.271	791.8	14.50	5.774	6.817	2962.	4.066	100.

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 15)

3 months U.S. dollars		6 months U.S. dollars	
bid 10 3/8	offer 10 1/2	bid 10 7/8	offer 11

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

LONDON MONEY RATES

Aug. 15 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	15½-17	—	—	—	16¼-17	15½-18	—	—	—
2 days notice	—	—	16½-16⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	18½-16¾	16½-18⅝	—	17	16⅞-17	15¾-16⅛	—	—	—
One month	16¾-18⅛	16⅝-16¾	16½-16⅝	17⅝-18	16½	16⅞-17	15¾	14⅝	16⅛	17⅛
Two months	16¹⁄₁₆-15⅞	16¹⁄₁₆-16⅟₁₆	—	17⅜-17⅝	16⅞	—	15½-16⅝	14	16¼-16⅜	18¾
Three months	18½-16⅜	16½-18⅝	16⅛	17-17⅛	16⅜	16⅞	16⅛	14⅜-14⅝	15⅜	18⅛
Six months	15⅞-15⅝	15⅞-16	18⅝-16⅞	15⅛-16	16⅛	16⅝	—	—	14⅝-14¾	15¼
Nine months	15⅟₁₆-14⅞	15⅛-15¼	—	15½-16⅞	15½	16	—	—	—	—
One Year	14½-14⅝	14⅝-14⅜	14⅝-14¾	14⅛-15	15	15⅛	—	—	—	—
Two years	-	-	14¾-14⅞	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rate nominally three years 14-14¾ per cent; four years 14-14¾ per cent; five years 13⅞-14¾ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15⁷⁄₁₆ per cent; four-month trade bills 16 per cent.

Approximate selling rate for one-month Treasury bills 14²⁹⁄₃₂-14 45-64ths per cent; two-month 14 55-64ths-14²⁵⁄₃₂ per cent; three months 14¹³⁄₁₆ per cent. Approximate selling rate for one-month bank bills 16⅜ per cent; two months 16⅛-16⁵⁄₃₂ per cent; three months 15²³⁄₃₂ per cent; one-month trade bills 16⅞ per cent; two months 16½ per cent; and three months 15⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16½ per cent from August 1, 1980. Clearing Bank Deposit Rate for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills Average tender rates of discount 14.9564 per cent.

CURRENCY MOVEMENTS

Aug. 15	Bank of England Index	Morgan Guaranty Changes %
Sterling	75.7	−30.6
U.S. dollar	84.5	−9.1
Canadian dollar	81.4	−16.6
Austrian schilling	158.3	+24.7
Belgian franc	115.9	+14.0
Danish kroner	105.9	−4.6
Deutsche mark	154.7	+43.6
Swiss franc	198.1	+72.4
Guilder	126.4	+20.6
French franc	101.7	−5.6
Lira	53.1	−51.3
Yen	126.2	+24.1

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Aug. 15	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lire	Asian $	Japanese Yen
†Short term	—	9⅛-9⅜	8-9	10-10¼	6½-6	8¼-8⅜	10¾-11	14-12	3⅜-3½	12⅛-13⅛
7 days' notice	—	9¼-9½	8½-9½	10-10¼	4-4½	8⅛-8¼	10¾-11	33-43	8¼-9⅜	13-13¼
Month	18⅜-16¾	10⅛-10⅜	9⅜-10	9⅞-10⅛	5⅜-5⅝	8⅜-8⅝	10¾-11	33-36	10⅛-10⅜	12⅛-12⅜
Three months	16⅞-16⅝	10⅝-10⅞	10⅛-10½	9¾-10	5⅜-5⅝	8¼-8⅜	10⅛-11⅛	27½-22½	10¼-10⅜	11⅛-11¾
Six months	15⅞-16	10⅞-11⅛	10⅛-10⅞	9¾-10	6⅛-6¼	7⅞-8	11⅛-11⅜	88½-82½	10¾-10⅞	10¾-11
One Year	14⅝-14⅞	11-11¼	10⅝-11	9⅝-9⅞	4⅞-5⅛	7⅝-7⅞	11⅜-11⅝	83-85	10⅞-11	9⅝-9⅞

Long-term Eurodollar two years 11½-11¾ per cent; three years 11⅝-11⅞ per cent; four years 11⅞-12⅛ per cent; five years 12-12¼ per cent; nominal closing rate. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 9.50-9.60 per cent; three-months 10.00-10.10 per cent; six-months 10.30-10.40 per cent; one year 10.55-10.65 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 15	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3761	+1.47	+0.39	±1.53
Danish Krone	7.72336	7.82926	+1.37	+0.29	±1.64
German D-Mark	2.48208	2.53102	+1.97	+0.89	±1.125
French Franc	5.84700	5.85511	+0.14	−0.94	±1.3557
Dutch Guilder	2.74362	2.74977	+0.22	−0.86	±1.512
Irish Punt	0.662201	0.669833	+0.24	−0.84	±1.668
Italian Lira	1157.79	1197.96	+2.47	+2.58	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Aug. 15	£	$		£ Note Rates
Argentina Peso	4500-4520	1894-1901	Austria	29.90-30.90
Australia Dollar	2.0535-2.0575	0.8630-0.8635	Belgium	68.10-68.70
Brazil Cruzeiro	129.56-130.56	54.605-54.806	Denmark	13.08-13.18
Finland Markka	8.65-8.67	3.6470-3.6480	France	9.75-9.85
Greek Drachma	n.a.	n.a.	Germany	4.23-4.26
Hong Kong Dollar	11.74¾-11.76¾	4.9465-4.9485	Italy	1976-2065
Iran Rial	n.a.	n.a.	Japan	534-539
Kuwait Dinar(KD)	0.634-0.640	0.2677-0.2678	Netherlands	4.59-4.69
Luxembourg Frc.	67.80-67.90	28.50-28.58	Norway	11.50-11.60
Malaysia Dollar	5.0975-5.0975	2.1420-2.1440	Portugal	113-119
New Zealand Dlr.	2.4305-2.4355	1.0210-1.0260	Spain	167¼-175½
Saudi Arab. Riyal	7.85-7.91	3.3175-3.3225	Sweden	9.85-9.95
Singapore Dollar	5.0585-5.0625	2.1275-2.1295	Switzerland	3.89-3.99
Sth. African Rand	1.8065-1.8065	0.7585-0.7590	United States	2.37-2.38¼
U.A.E. Dirham	8.73-8.70	3.6860-3.6010	Yugoslavia	65¾-69

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 15/8/80

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Bank Ireland 10pc Cv. 91-96	1.20	150.00	47.6	77-81	6.8	4.5	−13.0	−13 to −7	0.0	9.6	5.6	+18.5
British Land 12pc Cv. 2002	7.71	292.00	333.3	80-97	4.2	1.7	− 1.6	− 6 to 5	16.1	90.9	24.5	+26.1
Hanson Tr. 6½pc Cv. 88-93	3.02	93.00	57.1	76-81	6.9	7.3	− 0.2	− 9 to 1	3.1	0.0	− 3.3	− 3.2
Slough Ests. 10pc Cv. 87-90	5.44	252.00	187.5	78-86	4.0		− 1.9	− 6 to 0	36.6	40.3	1.5	+ 3.4
Slough Ests. 8pc Cv. 91-94	24.88	124.00	78.0	80-91	6.5	5.2	16.0	13 to 20	26.7	48.4	20.3	+ 4.3
Ultramar 7pc Net R.Cv.Pfd.	1.18	3.60	1.1	76-81	2.8		− 4.4	− 4 to 5	12.8	4.7	− 2.1	+ 2.3
Wilk. Match 10pc Cv. 84-98	11.10	86.50	40.0	76-83	11.7	12.0	21.5	21 to 63	14.7	25.1	14.6	− 6.9

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

More positive rally by gilts and equities in slow trade
Index up 6.5 for small rise on week—Financials wanted

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
July 28	Aug. 7	Aug. 8	Aug. 18
Aug. 11	Aug. 28	Aug. 29	Sept. 8
Sept. 1	Sept. 11	Sept. 12	Sept. 22

* "New time" dealings may take place from 9 am two business days earlier.

Encouraged by the Bank of England's reassurance on monetary policy which accompanied the mid-July money statistics, the two main investment sectors of London stock markets took the previous day's late recovery movement a stage further as the first week of the long holiday Account drew to a quiet close yesterday.

Confirmation by the July Retail Price Index of the widely expected *slowdown in the inflation* rate helped sentiment in British Funds which quickly responded to occasional buying interest, part of the demand reportedly emanating from the continent. Final quotations in mediums and longs were around the day's best with gains extending to ¾. Rises in the shorts also ranged to ¾ and the Government Securities index, at 69.42, recorded a gain of 0.38 after *falling* 0.77 over the four previous sessions.

The Government's batch of forward-looking economic indicators giving rise to hopes that the worst of the recession may be over by early next year was also a helpful factor in the equity markets. Dealers were prompted to mark prices up by a few pence *or so at the opening*. The ploy failed to encourage any sizeable business, but scattered support was enough to keep the market steady at the enhanced levels. Up 4.7 at the 10.00 am calculation, the FT 30-share index fluctuated around this level throughout official trading hours and went better late to close 6.5 up at 483.8 for a rise of 2.7 on the week.

Overall trading conditions were again extremely quiet, but the Financial sectors came in for some useful support with *banks and insurances often* recording double-figure gains.

The recovery movement in South African Gold *mining* shares continued after the sharp setback earlier in the week. The Gold mines index regained 8.3 more to 372.5 which reduced an earlier fall of 31.2 to only 6.7 on the week.

Traded options finished the week on a bright note, attracting a total of 927 trades, the highest for three weeks. The week's daily average amounted to 673.

Among recently - issued equities, **Baker Electronics** revived with a *gain of 6 at 107p.* **Peerless** remained overshadowed by news of the company's short-time *working* and *shed* 1½ *for a* two-day fall of 8½ to 82½p.

Banks good

Firmer conditions returned to the major clearing banks which ended with gains ranging to 13. **Barclays, the last to report half-**yearly figures next Thursday, were particularly favoured and ended that much better at 405p. while **NatWest** put on 12 to 372p. Elsewhere, **Bank of Scotland** rose 8 to 258p and **Royal Bank of Scotland** 3 to 85p. Still reflecting disappointment that Wednesday's suspension did not result in the much-rumoured bid but in details of the Trustees Savings Bank's acquisition of a 75 per cent interest in the group's instalment credit business. **UDT** softened a penny more for a drop on the week of 16 at 47p. **FNFC**, however, edged forward a penny to 25½p following Press comment and **Lloyds and Scottish** improved 5 to 155p.

Buoyed by encouraging interim profit statements from **Commercial Union and General Accident**, Composite Insurances made good progress. **Royals**, hoping for good first-half *figures* on *Monday, rose* 6 to 402p, while **Guardian Royal** added 10 to 322p as did **GA**, to 322p. **Phoenix** put on 8 to 270p. Reflecting the strong underlying trend in ordinary life assurance business, **Legal and General** put on 8 to 216p, **Prudential** gained 7 to 238p, while **Hambro Life**, 260p, and **Sun Life**, 216p, rose 5 apiece.

Breweries trended firmer but business was negligible. **Bass**, 228p, and **Whitbread**, 158p, rose 5 and 4 respectively. In Wines and Spirits, **Macdonald-Martin** were marked 5 higher at 540p on the first-half statement.

Marked higher at the outset, leading Buildings held steady at the enhanced levels which left **Taylor Woodrow** 5 dearer at 467p and **Wimpey** 4 to the good at 83p. **Blue Circle**, additionally aided by a broker's circular, improved 6 to 364p. Renewed interest was shown in **Ibstock Johnsen**, 3 firmer at 61p, and **John Finlan**, up 2 at a 1980 peak of 75p. **Phoenix Timber** also improved 2 to 113p, despite the lower annual profits.

ICI rose 4 to 366p, but business remained thin. Among other Chemicals, **Catalin** dropped 5 to 63p on the interim loss, while **Croda International** shed a penny to 40p on news of redundancies at its Croda Food In*gredients subsidiary.*

Comet dull

Stores displayed a quietly mixed appearance. **House of Fraser** advanced to 152p amid speculation that Lonrho may sell its 30 per cent stake to Arab interests, but the close was unchanged at 147p. **Gussies "A"** rose 4 more to 446p, but **Mothercare** shed that much to 240p. Away from the leaders, **Comet Radiovision** dipped 5 to 76p on a downward revision of brokers' forecasts, but speculative attention was noted for **Polly Peck**, 8 better at 98p, and for **Lee Cooper**, 7 up at 145p.

Revived speculation about a bid from America lifted **Plessey** 9, for a rise on the week of 20, to 241p. Other Electrical leaders also made progress in a quiet business. **GEC** added 4 to 486p, after 490p, while **BICC** picked up 4 to 134p. **Pifco "A"** improved 6 to 156p on the higher annual profits and dividend, while support was also noted for **Bowthorpe**, 7 better at 135p.

An early mark up followed by sporadic buying helped the Engineering leaders yesterday to record their best gains of the week. **Vickers** stood out with a rise of 7 to 125p, while **Hawker** added 6 to 230p. An unsettled market earlier in the week on confirmation that its Raleigh Industries subsidiary is to be investigated by the Office of Fair Trading, **Tubes** rose 6 to 250p. Still reflecting the poor interim statement, **Ratcliffs (Great Bridge)** eased 2 more for a two-day relapse of 7 at 44p. **Garton** came on offer and dropped 7 to 60p.

Foods mirrored the general trend, but *business was small.* An early mark-up left **Associated Dairies** 4 firmer at 202p and **J. Sainsbury** 7 dearer at a 1980 peak of 447p. **Bernard Matthews** firmed 6 to 216p on buying in a thin market, but **Lockwoods** eased 2 to 50p on lack of support.

Among Hotels and Caterers, renewed investment buying lifted **Ladbroke** 5 to a 1980 peak of 182p. **Reo Stakis**, which recently received approval for part of its proposed deal to buy five provincial casinos from Ladbroke, rose 2½ to 49p.

BTR wanted

Some scattered buying after an early technical improvement left the miscellaneous industrial leaders with closing gains ranging to 8. Still drawing strength from the better-than-expected second-quarter figures, **Unilever** ended that much better and 25 dearer on the week at 495p, while **BOC International** improved 3 to 82p *following* comment on the third-quarter results. **Pilkington** put on 5 to 250p and **Boots**, 226p, and **Beecham**, 150p, gained 4 apiece. Elsewhere, **BTR** jumped 16 to 368p on investment buying fuelled by reports of a broker upgrading an earlier profits forecast ahead of interim results which are due shortly. Speculative buying prompted rises of 5 and 7 respectively in **Office and Electronic**, 338p, and **Phillip Harris**, 73p, while comment on the group's Denver property development left **European Ferries** 4 to the good at 189½p. News of the European Commission's computer order helped **ICL** improve 3 to 171p, and **Vinten** rose 12 to 180p on renewed investment buying. ***Powell Duffryn*** attracted support at 220p, up 10, and **Rotaprint** revived with a rise of 3 at 18p. **Letraset**, reflecting the better-than-expected preliminary results, rose 5 to 122p.

A good market since Wednesday on the pleasing interim results, **Horizon Travel** were given an additional fillip by a broker's circular and, in a thin market, rose 15 for a three-day gain of 35 to 285p.

A dull sector of late reflecting the industry's current problems, Motor Components finished the week on a firmer note with **Lucas** gaining 3 to 216p. **Dowty** picked up 5 at 241, while **Associated Engineering**, depressed recently following the sale of certain assets to Armstrong Equipment, rallied 2 to 55p. **Rolls-Royce** added 3 to 60p. **Nelson David** fell to a 1980 low of 4½p before buyers entered to lift the *shares* to 10p and left them a net penny better at 9p. Elsewhere in Distributors, **Lex Service** hardened a couple of pence to 84p, while **Pennine** firmed ¾ to 11¾p.

In *Paper/Printings*, **Olives Paper Mill** fell 4 to 20p in response to sharply reduced first-half profits and the passed interim dividend. **BPC** shed a penny more to 23p on further reflection of the interim loss and the decision by the Office of Fair Trading to investigate Pergamon Press's acquisition of a 29.4 per cent stake.

Dull during the week on fairly persistent selling, Properties took a distinct turn for the better as buyers reappeared. Interest was concentrated on the leaders where **MEPC** touched a 1980 peak of 238p before closing a net 7 up at 234p. **Land Securities** picked up 4 to 362p and **Stock Conversion** 8 to 443p. **Carrington Investments** shed 4 for a two-day fall of 7 to a 1980 low of 100p on the poor profits and absence of dividend.

Quiet Oils

The undertone in Oils remained quietly firm with **Shell** hardening a couple of pence to 418p and **British Petroleum** closing unchanged at 352p, after 354p. *Elsewhere*, **Sovereign** softened 6 to 284p on profit-taking, but **I C Gas** improved 10 to 796p. **Basic Resources** rose 35 to 625p on news of the agreement with the Government of *Guatemala* over a dispute which had delayed an exploration programme.

Interim profits from **Corah** proved to be better than feared and the chairman's confident statement helped to a close of 30p, up 2. **David Dixon** added a similar amount to 115p on the increased dividend which accompanied the annual *profits setback*, but **Gaskell Broadloom** shed 4 to 56p on the half-timer. Elsewhere in Textiles, **Carrington Viyella** found support and rose 1½ to 12½p.

Fresh *hopes* of a new offer from Sime Darby buoyed **Guthrie**, 25 up for a rise on the week of 100 at 850p. Elsewhere in Plantations, support was forthcoming for **Bidong**, 9 better at 56p.

Golds marked up

South African Golds moved ahead for the third successive day as the bullion price held relatively steady to close $2 lower on the day at $624.50 an ounce.

Shares were marked up at the outset, reflecting strong buying in overnight American markets, but failed to attract any substantial fresh support and consequently drifted to close well below the day's best.

Nevertheless, gains were still sufficient to lift the Gold Mines index a further 8.3 to 372.5, reducing the fall over the week to 6.7; on Monday and Tuesday sizeable U.S. selling of Gold shares in the wake of a number of "sell" recommendations from American brokers caused a 31.2 drop in the index.

The marginals **East Rand Proprietary** and **Durban Deep** were outstanding performers yesterday. News of a R300m expansion plan and proposed rights issue encouraged good support for **ERP** which advanced £1¾ to £14¾, while hopes *that* a *similar* operation will be undertaken at Durban Deep pushed the shares £1½ better to £14.

Other good gains were seen in **Hartebeest**, ¾ firmer at £31¼, and **Western Deep and Free State Geduld** put on around ½ apiece at £21½ and £28 respectively.

South African Financials were quietly firm. **GFSA** added ¾ to £31½ ahead of the almost doubled profits and sharply increased final dividend.

Australia's blue chip mining stocks surged ahead on good demand *in overnight domestic* markets followed by persistent London interest ahead of next Tuesday's Federal Budget.

MIM Holdings advanced 12 to 264p, **CRA** 10 to 294p and **Western Mining** 8 to a 1980 high of 304p.

On the other hand, **Bougainville** *remained* under a cloud and dipped 7 more to 113p, after 112p, still reflecting the static profits performance last year. Among the speculative issues, **Nickelore** added 4 to a 1980 high of 59p.

Tins, a strong market throughout the week, were featured by **Gopeng** which jumped 35 to 515p in a thin market.

FINANCIAL TIMES STOCK INDICES

	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 8	A year ago
Government Secs.	69.42	69.04	69.33	68.34	69.53	69.81	73.64
Fixed Interest	70.60	70.32	70.49	70.39	70.60	70.68	74.82
Industrial	483.8	477.3	474.6	480.5	479.0	481.1	474.8
Gold Mines	372.5	364.2	354.2	348.0	352.3	379.2	178.7
Ord. Div. Yield	7.46	7.58	7.62	7.54	7.55	7.53	5.87
Earnings, Yld. % (full)	17.56	17.80	17.91	17.70	17.72	17.72	17.17
P/E Ratio(net) (*)	6.88	6.79	6.75	6.83	6.82	6.83	7.33
Total Bargains	17,632	16,903	16,626	17,865	18,961	20,696	—
Equity turnover £m.	—	85.00	97.65	100.54	86.91	113.63	69.10
Equity bargains total	—	11,561	12,064	13,040	13,167	15,092	10,359

10 am 482.0. 11 am 481.1. Noon 481.8. 1 pm 481.7.
2 pm 481.8. 3 pm 481.9.
Latest Index: 01-246 8026.
* Nil=6.41.
Basis: 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	73.54 (21/7)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	74.08 (24/7)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	503.1 (15/7)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	385.8 (29/7)	265.5 (16/3)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Aug. 15	Aug. 14
—Daily		
Gilt Edged	100.6	86.3
Industrials	89.2	89.1
Speculative	31.7	29.2
Totals	62.0	51.5
5-day Avrge.		
Gilt Edged	100.8	105.9
Industrials	89.9	93.7
Speculative	32.0	34.3
Totals	62.9	65.3

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (65)

AMERICANS (3)
Bankers Trust New York; Barnes Group; Lionel Corp.
CANADIANS (1)
Canadian Pacific Ent.
BANKS (1)
Standard Chartered
BUILDINGS (1)
Finlan (J.)
STORES (2)
Cornell Dresses; House of Fraser
ELECTRICALS (1)
Plessey
ENGINEERING (4)
Anderson, Strathclyde; Howden Group; Hallite; Spirax-Sarco
FOODS (2)
Assoc. Brit. Foods; Sainsbury (J.)
HOTELS (2)
Ladbroke; Stakis (Reo.)
INDUSTRIALS (8)
B.E.T. Defd.; Office & Electronic; Boots; Pauls & Whites; Dentsply 9pc Conv. '91-95; Sunlight Services; Vinten; Holden (A.)
INSURANCE (4)
Legal & General; Refuge; Phoenix; Sun Alliance
LEISURE (1)
Assoc. Leisure
NEWSPAPERS (1)
Link House
PROPERTY (3)
HK Land; Swire Properties; MEPC
TEXTILES (1)
Toray
TRUSTS (21)
Bishopsgate Trust; Manchester & Metropolitan Inv.; Brunner Inv.; Murray Glendevon B; C.L.R.P. Inv.; Murray Miner Inv.; Edinburgh American Assets; Murray Minor Inv. B; English & Scottish Inv.; North Atlantic Secs.; Dulwich Inv.; Gresham House; Technology Inv.; Investors' Capital; Tribune Inv.; London & Gartmore; Martin (R. P.); London & Lennox; Mercantile House; London & Strathclyde; Yorkgreen
OVERSEAS TRADERS (2)
Boustead; Inchcape
MINES (5)
Rand London Coal; Gopeng Cons.; Nickelmere; Idris Tin; Western Mining

NEW LOWS (22)

BUILDINGS (1)
Western Bros.
STORES (2)
Preedy (A.); Steinberg
ENGINEERING (4)
Brown & Tawse; Ratcliffs (Gt. Bridge); Garton Eng.; Walker (C. & W.)
FOODS (1)
Needlers
INDUSTRIALS (10)
Beatson, Clark; Fogarty (E.); Chamberlain Phipps; Hoskins & Horton; Courtney, Pope; Myson; Denbyware; Rexmore; Fitzwilton; Whitecroft
NEWSPAPERS (2)
Intl. Thomson; Intl. Thomson Conv.
PROPERTY (1)
Carrington Inv.
TEXTILES (1)
Lister

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	80	—	14	126	241	103
Corpns., Dom. and Foreign Bonds	37	3	26	71	74	185
Industrials	329	140	924	1,141	1,058	4,767
Financial and Property	277	19	200	719	355	1,406
Oils	23	12	21	91	71	118
Plantations	4	1	20	17	17	91
Mines	64	32	64	284	240	298
Others	73	21	76	239	210	395
Totals	887	228	1,345	2,668	2,266	7,361

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Aug. 15, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur., Aug. 14 Index No.	Wed., Aug. 13 Index No.	Tues., Aug. 12 Index No.	Mon., Aug. 11 Index No.	Year ago (approx.) Index No.	1980 High	1980 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (172)	279.85	+1.2	16.30	5.89	7.40	276.58	276.42	278.95	278.56	247.95	286.96 (18/7)	208.87 (3/1)	287.87 (4/5/79)	50.71 (13/12/74)
2 Building Materials (28)	254.24	+1.2	18.20	6.60	6.50	251.28	252.80	254.52	255.60	232.65	268.14 (21/7)	194.00 (3/1)	270.52 (4/5/79)	44.27 (11/12/74)
3 Contracting, Construction (27)	411.24	+1.3	22.57	5.91	5.27	405.80	408.26	411.23	412.39	378.40	423.81 (21/7)	313.00 (3/1)	451.74 (4/5/79)	71.48 (2/12/74)
4 Electricals (17)	826.64	+1.3	11.65	3.21	10.51	816.25	808.01	817.44	815.63	623.03	826.64 (15/8)	539.56 (2/1)	826.64 (15/8/80)	84.71 (25/6/62)
5 Engineering Contractors (11)	326.46	+1.3	18.82	6.93	6.85	322.38	328.55	330.29	329.21	362.74	329.90 (6/8)	259.18 (3/1)	409.06 (4/5/79)	64.39 (2/1/75)
6 Mechanical Engineering (73)	181.65	+1.4	16.87	7.35	7.23	179.17	179.54	180.40	179.00	176.98	190.20 (18/7)	146.46 (3/1)	211.08 (4/5/79)	45.43 (6/1/75)
8 Metals and Metal Forming (16)	164.69	+0.6	22.01	10.31	5.43	163.75	164.80	167.74	168.08	164.11	173.09 (18/7)	139.09 (3/1)	192.29 (4/5/79)	49.65 (6/1/75)
CONSUMER GOODS														
11 (DURABLE) (49)	232.51	+0.6	16.13	5.49	8.50	231.08	231.42	233.94	232.96	236.49	237.90 (21/7)	184.82 (3/1)	259.88 (9/5/79)	38.39 (6/1/75)
12 Lt. Electronics, Radio, TV (14)	349.49	+0.5	13.71	4.03	11.17	347.78	348.40	351.15	350.65	332.00	357.21 (21/7)	247.36 (3/1)	358.49 (11/9/79)	42.85 (13/12/74)
13 Household Goods (14)	93.43	+1.0	25.93	10.96	4.87	92.54	92.82	93.74	93.89	151.34	116.40 (1/1)	92.54 (14/8)	263.22 (4/5/79)	63.92 (17/12/74)
14 Motors and Distributors (21)	101.98	+1.0	22.16	9.21	5.18	101.01	100.82	103.15	102.66	115.44	115.86 (29/1)	94.70 (4/6)	170.59 (15/1/69)	19.91 (6/1/75)
CONSUMER GOODS														
21 (NON DURABLES) (172)	235.72	+1.1	17.43	6.83	6.93	233.11	231.80	234.10	233.29	242.08	240.12 (8/7)	200.15 (3/1)	269.81 (4/5/79)	61.41 (13/12/74)
22 Breweries (14)	288.75	+1.4	15.74	6.38	7.41	284.67	284.23	286.64	283.57	287.90	306.45 (8/7)	248.93 (3/1)	306.45 (8/7/80)	69.47 (13/12/74)
23 Wines and Spirits (5)	312.07	+0.9	19.44	6.53	6.05	309.30	309.00	311.09	310.37	316.90	322.92 (8/7)	278.92 (2/6)	352.29 (29/3/79)	78.88 (13/12/74)
24 Entertainment, Catering (17)	335.25	+1.5	17.22	6.67	7.20	330.51	328.48	333.72	327.29	342.07	349.80 (7/7)	268.87 (3/1)	374.32 (2/5/79)	54.83 (9/1/75)
25 Food Manufacturing (21)	215.27	+1.3	18.82	6.74	6.25	212.41	211.79	212.03	209.65	227.91	219.08 (18/7)	183.95 (28/3)	236.75 (4/5/79)	59.67 (11/12/74)
26 Food Retailing (13)	353.79	+1.3	11.93	4.50	10.01	349.28	349.43	351.45	349.04	317.44	353.79 (15/8)	286.28 (3/1)	353.79 (15/8/80)	54.25 (11/12/74)
32 Newspapers, Publishing (13)	435.41	+0.5	21.59	7.10	6.10	433.27	435.13	439.94	433.55	419.73	455.30 (14/2)	378.52 (3/1)	492.56 (8/5/79)	55.08 (6/1/75)
33 Packaging and Paper (15)	130.22	+0.7	27.44	10.05	4.25	129.35	129.79	130.30	132.35	129.28	140.51 (21/7)	111.30 (3/1)	155.45 (14/9/78)	43.46 (6/1/75)
34 Stores (45)	232.86	+0.8	13.35	5.99	9.77	230.97	227.26	231.75	232.30	253.42	235.21 (21/7)	188.71 (3/1)	273.48 (4/5/79)	52.63 (6/1/75)
35 Textiles (21)	122.20	+0.5	26.90	12.65	4.52	121.56	121.74	123.17	123.73	157.61	140.52 (18/1)	116.89 (6/6)	255.72 (17/1/67)	62.62 (11/12/74)
36 Tobaccos (3)	227.65	+1.5	25.21	10.23	4.51	224.18	225.16	225.56	225.56	245.52	239.09 (8/7)	192.86 (3/1)	339.16 (2/8/72)	94.34 (13/6/62)
37 Toys and Games (5)	26.86	+0.7	8.37	14.20	27.61	26.67	27.17	27.52	27.52	79.25	47.59 (2/1)	25.08 (16/6)	135.72 (16/1/70)	20.92 (6/1/75)
41 OTHER GROUPS (99)	225.48	+1.3	16.36	6.87	7.25	222.49	222.41	223.40	221.91	224.14	230.85 (21/7)	183.43 (3/1)	234.76 (8/5/79)	58.63 (6/1/75)
42 Chemicals (16)	314.16	+1.7	19.75	7.67	5.80	309.02	307.95	311.95	310.78	281.74	326.53 (7/7)	276.80 (3/1)	329.77 (4/5/79)	71.20 (11/12/74)
43 Pharmaceutical Products (7)	230.07	+1.8	11.00	6.01	11.24	225.92	223.44	226.04	223.93	226.27	241.07 (7/7)	175.88 (28/3)	291.13 (14/9/78)	[illegible]
44 Office Equipment (6)	107.71	+1.6	18.80	7.70	6.21	106.00	104.38	106.43	105.25	119.22	123.10 (14/2)	98.57 (2/6)	[illegible]	[illegible]
45 Shipping (10)	596.65	+0.7	17.22	7.96	8.12	592.00	584.26	590.53	586.80	494.49	608.17 (18/7)	469.11 (3/1)	[illegible]	90.80 (29/6/62)
46 Miscellaneous (60)	280.64	+0.9	16.14	6.59	7.57	278.20	279.83	282.39	281.73	245.68	287.93 (21/7)	231.96 (3/1)	287.93 (21/7/80)	60.39 (6/1/75)
49 INDUSTRIAL GROUP (492)	251.67	+1.2	16.79	6.49	7.22	248.81	248.10	250.56	249.73	241.23	256.86 (21/7)	203.76 (3/1)	273.01 (4/5/79)	59.01 (13/12/74)
51 Oils (8)	799.53	+0.2	27.77	6.47	3.98	797.66	781.94	798.07	803.99	630.24	840.16 (5/3)	668.66 (8/1)	840.16 (5/3/80)	87.23 (29/5/62)
59 500 SHARE INDEX	295.11	+1.0	19.10	6.48	6.26	292.31	290.90	293.96	293.63	272.95	301.00 (21/7)	241.13 (3/1)	308.20 (4/5/79)	63.49 (13/12/74)
61 FINANCIAL GROUP (118)	231.74	+1.5	—	5.56	—	227.37	227.00	227.92	226.09	193.00	236.07 (21/7)	175.85 (3/1)	241.41 (11/4/72)	55.88 (13/12/74)
62 Banks (6)	232.03	+3.0	43.53	7.25	2.79	225.37	223.00	227.90	227.12	223.77	247.48 (16/1)	201.01 (3/1)	247.48 (16/1/80)	62.44 (12/12/74)
63 Discount Houses (10)	283.26	+1.0	—	6.26	—	280.59	282.86	283.54	284.38	264.96	303.18 (23/7)	231.00 (3/1)	303.18 (23/7/80)	81.40 (10/12/74)
64 Hire Purchase (5)	216.54	+1.6	14.31	4.62	9.11	213.12	222.19	227.69	231.31	172.44	253.42 (11/8)	160.72 (3/1)	433.74 (4/5/72)	38.83 (11/12/74)
65 Insurance (Life) (10)	236.52	+2.7	—	5.99	—	230.25	229.05	229.66	229.63	154.82	236.52 (15/8)	151.80 (3/1)	236.52 (15/8/80)	44.88 (2/1/75)
66 Insurance (Composite) (9)	157.68	+2.5	—	6.96	—	154.14	151.97	150.56	147.91	126.02	159.01 (21/7)	117.05 (3/1)	161.72 (6/10/77)	43.96 (13/12/74)
67 Insurance Brokers (9)	336.37	+1.1	13.83	6.86	9.94	332.64	334.20	336.00	333.00	269.54	349.01 (21/7)	255.13 (3/1)	372.27 (11/8/78)	65.86 (16/12/74)
68 Merchant Banks (12)	135.08	+0.4	—	5.26	—	134.54	135.04	134.57	134.03	99.55	141.69 (29/7)	87.47 (3/1)	278.57 (1/5/72)	31.21 (7/1/75)
69 Property (45)	438.84	+1.2	3.22	2.63	48.37	433.69	434.37	439.06	436.47	377.90	445.62 (30/7)	356.17 (3/1)	445.62 (30/7/80)	56.01 (20/4/65)
70 Miscellaneous (12)	141.63	+0.4	14.60	6.23	8.71	141.07	141.13	141.15	140.66	119.04	143.63 (18/7)	119.62 (3/1)	[illegible]	[illegible]
71 Investment Trusts (109)	261.70	+2.1	—	5.49	—	256.32	256.29	256.66	255.32	215.22	269.39 (21/7)	188.97 (3/1)	269.39 (21/7/80)	71.12 (13/12/74)
81 Mining Finance (3)	243.98	+0.8	12.51	4.29	9.78	242.07	240.05	241.70	243.18	123.55	248.25 (21/7)	160.95 (3/1)	248.25 (21/7/80)	66.31 (30/9/74)
91 Overseas Traders (20)	427.65	+1.5	11.77	6.90	10.24	421.12	418.81	413.39	414.99	345.28	437.34 (13/2)	330.03 (3/1)	437.34 (13/2/80)	97.37 (6/1/75)
99 ALL-SHARE INDEX (750)	282.62	+1.2	—	6.29	—	279.24	278.11	280.36	279.71	250.27	288.10 (21/7)	226.48 (3/1)	288.10 (21/7/80)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

British Government	Fri., Aug. 15	Day's change %	xd adj. today	xd adj. 1980 to date
1 Under 5 years	105.28	+0.32	—	6.73
2 5-15 years	110.80	+0.63	—	8.43
3 Over 15 years	116.66	+0.67	—	8.27
4 Irredeemables	129.34	+0.75	—	[illegible]
5 All stocks	110.65	+0.54	—	7.65

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Fri., Aug. 15	Thur., Aug. 14	Year ago (approx.)	1980 Highs	1980 Lows
1	Low	5 years	12.06	12.13	9.18	13.32 (4/3)	11.17 (21/7)
2	Coupons	15 years	12.23	12.33	10.43	13.52 (4/3)	11.11 (21/7)
3		25 years	12.05	12.13	10.58	13.12 (4/3)	11.11 (21/7)
4	Medium	5 years	13.43	13.54	11.89	15.37 (4/3)	12.45 (21/7)
5	Coupons	15 years	13.82	13.84	11.96	14.77 (4/3)	12.97 (21/7)
6		25 years	13.26	13.34	[illegible]	14.50 (4/3)	12.35 (29/7)
7	High	5 years	13.62	13.75	12.27	15.72 (4/3)	12.71 (17/7)
8	Coupons	15 years	13.70	13.79	12.44	15.86 (4/3)	13.11 (21/7)
9		25 years	13.82	13.94	12.26	14.92 (4/3)	13.21 (21/7)
10	Irredeemables		11.48	11.56	10.69	12.53 (21/3)	10.80 (21/7)

	Fri. Aug 15 Index No.	Yield %	Thur. Aug. 14	Wed. Aug. 13	Tues. Aug. 12	Mon. Aug. 11	Fri. Aug. 8	Thur. Aug. 7	Wed. Aug. 6	Year ago (approx.)	1980 Highs	1980 Lows	Since Compilation Highs	Since Compilation Lows
15 20-yr. Red. Deb. & Loans (15)	54.29	15.86	54.29	54.67	54.37	54.47	54.65	54.71	54.30	58.48	65.55 (28/1)	49.12 (2/1)	115.43	[illegible]
16 Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	51.28 (22/7)	46.34 (2/1)	114.41	[illegible]
17 Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	68.68 (4/8)	60.92 (2/1)	114.96	[illegible]

Equity Section or Group	Base Date	Base Value	Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77	Food Manufacturing	29/12/67	114.13
Other Groups	31/12/74	63.75	Food Retailing	29/12/67	114.13
Overseas Traders	31/12/74	100.00	Insurance Brokers	29/12/67	96.67
Engineering Contractors	31/12/71	153.84	Mining Finance	29/12/67	100.00
Mechanical Engineering	31/12/71	153.84	All Other	10/4/62	100.00
Toys and Games	16/1/70	135.72	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	[illegible]	[illegible]			

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p. A fortnightly record of group and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from the Book Sales Department, FT Business Publishing Limited, Minster House, Arthur Street, London, EC4R 9AX, at £50 per copy.

CONSTITUENT CHANGES: Selection Trust (Mining Finance) has been replaced by Boustead (Overseas Traders). Unicorn Industries (Mechanical Engineering) has been replaced by Victor Products (Wallsend) (Electricals).

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or −
[illegible]					British Home Stores 9% Cnv. Un. '93		
[illegible]					Denmark 13% 2000		
[illegible]					Newcastle & Gateshead Water 9% Red. Pf.		
[illegible]					Outwich 10% Pref.		
[illegible]					Sunderland & S. Shields Wtr 9% Rd. Prf. 1985		

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −
[illegible]					Anderson Strathclyde		
[illegible]					Astbury & Madeley		
[illegible]					Beriafard (S. & W.)		
[illegible]					Biscount		
[illegible]					Olive Discount		
[illegible]					Coalite		
[illegible]					Dewhurst		
[illegible]					Derritron		
[illegible]					Farranti		
[illegible]					Hazelwood Foods		
[illegible]					Crest Nicholson		
[illegible]					Polly Peck		
[illegible]					Land Securities		
[illegible]					Lonrho		
[illegible]					McKay Secs.		
[illegible]					Mallinson-Denny		
[illegible]					Polly Peck		
[illegible]					Sturla		
[illegible]					Thurgar Bardex		

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend; cover based on previous year's earnings. *F* Dividend and yield based on prospectus or other official estimates for 1979. *Q* Gross. *T* Figures assumed. † Allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former Preference holders. ■ Allotment letters (or fully paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ London Listing. † Dealings under special rule.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Confederation Funds Mgt. Ltd. (a)

Crescent Unit Tst. Mgrs. Ltd. (a)(g)

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmnt. Ltd.

Equity & Law Un. Tr. M.♥ (a)(b)(c)

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr♥ Mgrs.♥

Funds in Court*

G.T. Unit Managers Ltd.♥

G. & A. Trust (a) (g)

Gartmore Fund Managers♥ (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(b)(c)

Hill Samuel Unit Tst. Mgrs.† (a)

Investment Intelligence Ltd.♥ (a)(g)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers♥

L & C Unit Trust Management Ltd.

Legal & General Tyndall Fund♥

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.♥ (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.*

M & G Group (y)(c)(z)

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.♥ (a)

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt.♥ (a)

Mutual Unit Trust Managers♥ (a)(g)

National Provident Inv. Mngrs. Ltd.♥

National Westminster♥ (a)

NEL Trust Managers Ltd.♥ (a)(g)

Northgate Unit Trust Managers Ltd. (c)(y)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt.♥ (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.♥

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Reliance Unit Mgrs. Ltd.♥

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd.♥ (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Saturn Fund Management Limited

Save & Prosper Group♥

J. Henry Schroder Wagg & Co. Ltd.♥(a)(c)

Scottish Equitable Fnd. Mgrs. Ltd.♥

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd.(a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd.♥(a)(g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers♥

Transatlantic and Gen. Secs. Co. (y)

TSB Unit Trusts (y)

Tyndall Managers Ltd.(a)(b)(c)

Ulster Bank♥ (a)

Unit Trust Account & Mgmt. Ltd.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.♥

Canada Life Assurance Co.

Capital Life Assurance♥

Charterhouse Magna Gp.♥

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.♥

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.♥

Guardian Royal Exchange

Hambro Life Assurance Limited♥

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General (Unit Pensions) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.♥

M & G Group♥

Manufacturers Life Insurance Co.

Merchant Investors Assurance♥

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (U.K.) Ltd.♥

Norwich Union Insurance Group♥

Phoenix Assurance Co. Ltd.

Pioneer Savings Group

Prov. Equity & Life Ass. Co.♥

Property Growth Assur. Co. Ltd.♥

Providence Capitol Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited♥

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group♥

Schroder Life Group♥

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Standard Life Assurance Company♥

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.♥

Tyndall Assurance/Pensions(a)(b)(c)

Vanbrugh Life Assurance♥

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.♥

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive Mngt. Co.

Bridge Management Ltd.

Britannia/Schlesinger

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Craigmount Fixed Int. Mngrs. (Jersey)

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F & C Mgmt. Ltd. Inv. Advisers

Fidelity Management & Research

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Frankfurt Trust Investment-GmbH

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd.

Guinness Mahon Fd. Mgrs. (Guernsey)

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
160	95	S. Rhod. 2½pc Non-Ass.	93	−1	—	29.86
169	133	Do. 6pc 78-81 N.-As.	142		—	29.99

LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		Public Board and Ind.				
64½	56½	Agric. Mt. 5pc '59-89	59	......	8.47	12.89
83½	73½	Alcan 10½pc '89-94	80½	......	14.65	13.60
29¼	25	Met. Wtr. 3pc 'B'	27¼xd	+¼	10.91	13.00
103	89	U.S.M.C. 9pc 1982	100	......	9.16	—
92	85½	Do. without Warrants	91	+½	10.13	13.70
		Financial				
99⅝	96½	FFI 13pc 1981	98¾	−⅛	13.21	16.44
101½	93½	Do. 14pc '83	98½	−½	14.22	14.55
88	79½	FFI(UK Fn)5¼pcDb. '80-2	86½	+½	6.54	14.74
82½	71½	Do. 6¾pcDb. '81-84	80	+1	7.99	13.10
92	80½	Do. 10¾pc Uns.Ln. '86	89	......	11.95	13.75
91½	77	Do. 11pc Uns.Ln. '88	89	+½	12.56	13.35
93½	82	Do. 11½pc Uns.Ln. '90	91	+½	13.14	13.80
107	84½	Do. 12¼pc Un. Ln. 1992	90½xd	+1	13.81	14.20
66½	56	Do. 7¼pcADeb. '89-92	63	+½	11.85	13.95
66½	51½	Do. 7¾pcA Db. '91-94	63	+½	12.12	13.80
75½	64½	Do. 9pc 'A' '91-94	74	+½	12.31	13.30
71½	61	Do. 8¾pcLn. '92-97	67½	+½	13.24	13.90

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

1980 High	Low	Stock	Price	+ or −	Div. Gross	Cvr	Y'ld Gr's
111⅞	850p	Hudson's Bay !!	905xd	......	♦$1.20	—	5.0
14¼	925p	Hud. B. Oil G. $2½	13¼	......	h57½	—	1.7
21⅞	13⅛	Imperial Oil!!	15⅞	−¼	$1.40	—	3.5
14	855p	Inco!!	10½	......	72c	—	28.3
565p	425p	Int. Nat. Gas $1	535p	......	$1.00	—	7.1
495p	265p	Massey Ferg.!!	355p	......	—	—	—
200p	100p	Place Gas $1	115p	−2	—	—	—
14¼	10⅝	Rio Algom	12⅞	+⅛	$1.50	—	4.5
20	14½	Royal Bk.Can. $2.	19½xd	+⅛	$2.56	—	5.0
25½	15⅛	Seagram Co. C$1	24⅞	+⅝	SUS1.10	—	2.0
12	890p	Tor. Dom. Bk. $1.	11⅞	+⅛	$1.36	—	4.4
10½	815p	Trans Can. Pipe	895p	......	$1.16	—	4.9

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Hire Purchase, etc.

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BUILDING INDUSTRY, TIMBER AND ROADS

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CHEMICALS, PLASTICS

DRAPERY AND STORES

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ELECTRICALS—Continued

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High	Low	Stock	Price	+ or –	Div. Net	Cvr	Yld Gr's
180	78½	Anglo-Dominion	142	–3	—	—	—
97	52	Barymin	65	+1	—	—	—
17	12	Burma Mines 10p	14	......	0.62	1.1	6.4
172	53	Colby Res. Corp.	158	–7	—	—	—
502	285	Cons. Murch. 10c.	290	+5	M0100c	1.8	19.7
180	95	††Hemerdon 10c.	95	......	—	—	—
585	325	Northgate C$1	370	......	—	—	—
485	327	R.T.Z.	470	+2	15.0	3.2	4.6
33	16	Robert Mines	23	–1	—	—	—
112	97	††SPO Minerals 10p	97	......	—	—	—
58	26	Sabina Inds. C$1.	28½	–½	—	—	—
51	37	††SWCM 10p	37	......	—	—	—
650	411	Tara Expln. $1	450	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✣ Regional price.
- II No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or –	IRISH	Price	+ or –
Albany Inv. 20p	33	+1	Conv. 9% '80/82	£91¾	......
Bertam	15	......	Nat. 9¾% 84/89	£80	+¼
Bdg'wtr. Est. 50p	450	......	Fin. 13% 97/02	£94⅝	+½
Clover Croft	60	......	Alliance Gas	48	......
Craig & Rose £1	£11	......	Arnott	200	......
Fife Forge	32½	......	Carroll (P.J.)	65	......
Finlay Pkg. 5p	19	......	Clondalkin	120	......
Graig Ship. £1	£13½	......	Concrete Prods.	76	+1
Higsons Brew	75	......	Heiton (Hldgs.)	25½xd	......
Holt (Jos) 25p	256	......	Ins. Corp.	275	+5
I.O.M. Stm. £1	175	–5	Irish Ropes	40	......
Pearce (C. H.)	465	......	Jacob	31	......
Peel Mills	45	......	T.M.G.	80	......
Sheff. Refrshmt	103	......	Unidare	77xd	......
Sindall (Wm.)	142	......			

OPTIONS

3-month Call Rates

Industrials		I.C.I.	27	Utd. Drapery	6½
A. Brew	7	"Imps"	6½	Vickers	12
BOC Intl.	6	I.C.L.	14	Woolworths	5½
B.S.R.	4½	Inveresk	4		
Babcock	8	Ladbroke	15	**Property**	
Barclays Bank	34	Legal & Gen.	15	Brit. Land	7
Beecham	10	Lex Service	8	Cap. Counties	9
Blue Circle	25	Lloyds Bank	24	Land Secs.	24
Boots	16	"Lofs"	3½	MEPC	17
Bowaters	15	London Brick	6	Peachey	13
B.A.T.	20	Lucas Inds.	17	Samuel Props.	12
Brown (J.)	6	"Mams"	14	Town & City	2
Burton 'A'	10	Mrks. & Spcr.	8		
Cadburys	5½	Midland Bank	26	**Oils**	
Courtaulds	8	N.E.I.	5	Brit. Petroleum	32
Debenhams	8	Nat. West. Bank	27	Burmah Oil	20
Distillers	17	P & O Dfd.	10	Charterhall	10
Dunlop	7½	Plessey	14	KCA	11
Eagle Star	15	Racal Elect.	22	Premier	13
F.N.F.C.	2¼	R.H.M.	4½	Shell	35
Gen. Accident	21	Rank Org.	15	Tricentrol	40
Gen. Electric	30	Reed Intnl.	16	Ultramar	35
Glaxo	18	Sears	5		
Grand Met.	12	Tesco	6	**Mines**	
G.U.S. 'A'	34	Thorn	23	Charter Cons.	14
Guardian	23	Trust Houses	12	Cons. Gold	40
G.K.N.	20	Tube Invest.	23	Lonrho	8
Hawker Sidd	15	Unilever	40	Rio T. Zinc	35
House of Fraser	15	U.D.T.	5½		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 20

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FINANCIAL TIMES

Saturday August 16 1980

MAN OF THE WEEK

So near and yet so . . .

BY JUREK MARTIN

IF ORATORY were the heart and soul, not just the trimmings, of politics, then Ted Kennedy would today be plotting the last stages of his inevitable accession to the White House, Jimmy Carter contemplating next year's peanut harvest and Ronald Reagan already working out how to concede defeat gracefully in November.

Yet Ted Kennedy's achievement this week may turn out to be ephemeral. In 35 minutes of inspired and soaring rhetoric, he transformed the Democratic Party convention that hitherto had born a Carter stamp into his own image. He gave it life, humour and high drama, and even persuaded it to adopt some economic policy proposals with which the President would rather not have been saddled.

In the convention's climactic minutes, after it had renominated the incumbent President and dutifully listened to an acceptance speech devoid of those very qualities Mr. Kennedy had brought to bear 48 hours earlier, the Senator from Massachusetts had his last personal triumph. This was the final rapturous reception as he rather stiffly joined hands with Mr. Carter in a symbolic pledge to cooperate to lay the Republicans low.

Ted Kennedy thus enjoyed some sugar coating on the bitter pill of defeat he had been forced to swallow. It was defeat at the hands of a President who is in so many ways the antithesis of all that the last member of his generation of America's dynastic family comes from, stands for and believes in.

In fact, Mr. Kennedy came to Madison Square Garden knowing that the writing was on the wall, that no ruse, in the shape of the "open" convention concept, was going to shake loose Mr. Carter's grip on what counted. He had lost because

Sen. Edward Kennedy
Defeat of the unbeatable

of a multitude of factors. Principal among these were public doubts about his character, summed up in the one word, Chappaquiddick, the superior political talents of Jimmy Carter and his men, and the pervasive general feeling that the Liberal remedies he was proposing, and which his two brothers had so brilliantly helped to implement in the 1960s, had less relevance in the present, diffused and troubled times.

But the Convention did offer him the unique opportunity not merely to engage in demagoguery but to salvage personal honour. He was able to give his faithful liberal legions reason to believe that, although they may have gone down this year, the future is not irredeemably bleak.

Cynics—and the ranks of Kennedy critics contain many convinced he would do anything to further his own ambitions—might say he is just biding his time until 1984. It is suggested that he is waiting until Jimmy Carter has fallen by the wayside, either in November, or four years from now after a second term.

But 1980 has conclusively pricked the Kennedy balloon of invincibility. He must know, as do many political professionals, that other younger Democrats will no longer feel inhibited by his presence from challenging for party leadership in the years ahead, and he knows, too, that their philosophies will not simply seek to re-create, as he has, the golden age of liberalism. "The cause endures," he cried in a last rhetorical flourish on Tuesday night. It is possible that Ted Kennedy, battered and wiser, no longer the "spoiled rich kid" from Hyannis, will not be its standard bearer. But he showed this week that nobody should lightly d[illegible] with his formidable tal[illegible] sheer unadulte[illegible]

'Double standards' on pay, say council employers

BY NICK GARNETT, LABOUR STAFF

THE GOVERNMENT was attacked yesterday by the Association of Metropolitan Authorities for operating "double standards" over pay for local authority employees.

In a statement on the increasing likelihood of arbitration over local authority white collar staff pay, Mr. Jack Layden, deputy chairman of the association, said: "We would meet an arbitration award. It is the Government which might refuse to do so. It will not increase cash limits.

"As in the case of teachers, it expects local government to pay the arbitrator's award and then refuses to pay its share of the cost. It is this double standard on the part of Government to which we object."

Delegates of the National and Local Government Officers' Association will be recommended later this month to accept the use of arbitration as a way out of the dispute. The councils have offered a 13 per cent pay increase to their 540,000 white collar staff.

Under the terms of the local authority wage and conditions agreements, this would almost certainly mean that the dispute would be put in the hands of arbitrators.

Negotiators for the local authorities are already disturbed at the damage the Government's 18.75 per cent settlement for Civil Service staff might do to any case put forward by them in support of restricting council staff to 13 per cent.

An arbitration award is not binding on any individual local authority. Mr. Layden, Labour councillor in Rotherham, appeared to be saying yesterday, however, that it would be inconceivable that the local authorities would not implement an arbitration decision even if it was above 13 per cent.

He repeated that 13 per cent, on which council manual workers settled, was already outside cash limits. Local government, however, had "a good record of always honouring arbitration awards," be said.

Times journalists threaten to strike over arbitration delay

BY OUR LABOUR STAFF

JOURNALISTS on The Times will recommend to strike if the management does not announce by noon on Tuesday that it is prepared to implement the arbitration pay award made earlier this week.

The management told the journalists yesterday that it was not yet in a position to take a view on the award, which averaged 21 per cent. It is thought that the delay resulted from the postpooement of a scheduled board meeting.

The committee of the journalists' chapel (office branch) then issued a statement to management saying they would recommend that journalists stop work unless management responds by Tuesday.

"The insufferable delay is creating a serious falling off of morale among journalists who produce The Times and its supplements," the statement said.

"That dismay is now turning into anger, and we urge the company to come to its senses before the conciliation procedure is exhausted and the staff have no option but to walk out."

Machine managers at the Observer, whose pay dispute has been threatening the continued existence of the newspaper, are due to meet this afternoon to discuss the instruction issued by their union, the National Graphical Association, that they must accept the company's terms on pay. There was no indication yesterday whether the meeting will affect production.

If the machine managers reject the instruction, the union's London region would then set up an inquiry into their behaviour. This would result in recommendations to the union's national council as to how national officers should proceed with the matter.

Mr. George Jerrom, the union national officer with special responsibility for Fleet Street, last night met NGA composing and reading room members at the Observer to explain the national council's position.

Lloyds unveils savings scheme

BY ALAN FRIEDMAN

LLOYDS BANK yesterday became the last major clearing bank to announce new forms of personal savings and deposit accounts.

The move is seen as a part of the increasing competition for savings between banks and building societies following the lifting of Government "corset" controls over bank lending.

The announcement also marks the start of the first stage in a new battle for UK savings funds. Further competition on mortgages and other services is expected to follow.

The Lloyds Bank programme, scheduled to start on Monday, will feature two schemes—a long-term deposit account for between two and seven years and a fixed interest rate scheme for between one and 18 months.

Lloyds said yesterday that it wished to offer a better deposit scheme than its three main banking competitors.

Explaining the move, the bank said that besides the release from the corset, the other reason for the launch of the new accounts was a desire to lure savers away from building societies.

"Historically the banks lose deposits to building societies when general interest rates begin to come down. This is because the building society rates come down more slowly than bank base rates," a spokesman explained.

The Lloyds programme will be the first of the bank schemes to start operating. Barclays, National Westminster and Midland all plan to begin their new accounts in September.

The other banks appear to be aiming to attract a broader range of investors by offering savers a number of "bonus savings" accounts and "Christmas clubs" which allow for monthly contributions of as little as £10. In Lloyds' two-to-seven year account, the minimum deposit is £2,500, to receive interest of between 15 and 16 per cent on the basis of current base rates.

This account differs from the other recently revealed bank schemes providing an arrangement for savers to borrow up to 90 per cent of their deposit money at 2½ per cent above Lloyds' base rate.

Lloyd's fixed rate accouot will stipulate deposits ranging from £5,000 to £100,000. The bank says it is willing to quote rates for larger amounts as well.

Details, Page 6

Retail prices

Continued from Page 1

post-tax pay packet.

It was introduced last year to adjust for direct tax cuts and to offset some of the impact of the rise in retail prices caused by the increase in VAT.

Since mid-1970 the tax and price index has been rising less rapidly than the retail prices index.

The position will now be reversed because of the rise in the real burden of income tax and increase in national insurance contributions in the last Budget.

This shows up in the 12-month rate only now, because of the timing of the 1979 Budget.

Consequently the 12-month rate of increase of the tax and price index was 18.5 per cent in July, 1.6 percentage points higher than the 12-month rise in retail prices.

This reversal could prove embarrassing to the Government in view of Ministers' attempts last summer to draw attention to the tax and price index.

No further such speeches are apparently planned.

The rise in the retail prices index last month was mainly due to increases in average charges for electricity, gas and coal and to rises in prices of fruit and alcoholic drinks.

These increases were partially offset by reduced prices for some articles of clothing, radio and electrical goods, carpets and petrol. Price increases in the pipeline include milk, electricity charges, tea and sugar.

INDUSTRY PREPARES FOR COMBAT

CBI reacts on energy costs

BY JOHN ELLIOTT AND ALAN PIKE

REPRESENTATIVES of *more than a dozen* British industries yesterday prepared the ground for a major onslaught on the growing problem of rapidly rising energy prices.

They formed a new group within the Confederation of British Industry which is to prepare a report on the industrial impact internationally of energy price rises within the next two months.

The report will be presented to the Government, which is preparing its own comparative statistics along with the National Economic Development Office. Ministers will then consider whether some general form of relief should be introduced.

The British Printing Federation yesterday joined the growing list of organisations lodging protests with the Government. It warned Mr. David Howell, the Energy Secretary, that unemployment in its industry would continue to rise unless the Government changes its policies and allowed businesses to reap some direct cost benefits from North Sea oil.

The Government has already come under severe pressure from the paper and board industry and is now in talks with Bowater about possible aid to [illegible] it closing its Ellesmere Port newsprint mill.

But EEC regulations, and the Government's aversion to baling out lame duck businesses, mean that Bowater will only receive financial aid for new investment projects. It therefore seems unlikely that it can justify anything near the total support of £6m to £7m for which it has been asking.

Ministers are, however, seriously concerned about the problem of rising energy prices, and they agreed at last week's meeting of the National Economic Development Council that there was an urgent need for statistics to be prepared which would show how seriously UK industry is being affected in relation to its overseas competitors.

The formation at the CBI yesterday of what is to be called the industrial energy consumers' group was British industry initial response to this invitation from the Government to produce facts.

Trade associations at the meeting represented independent iron and steel producers, Staffordshire potteries, the chemical industry, cement makers, man-made fibre companies, brewers, the paper and board industry, food manufacturers, lead producers, glass manufacturers, aluminium companies, non-ferrous metals concerns and drop forgers.

Others—representing plastic companies, clay industries, motor manufacturers, textile employers, and radio equipment manufacturers — were not present, but they are expected to be involved.

After the initial survey of international energy prices, the group intends to study energy consumption patterns and conservation.

In its letter to Mr. Howell yesterday, the printing industries federation warned that printers who had recently suffered 80-90 per cent rises in gas contract prices now faced "further significant and, in some areas, unquantified increases."

Even without the latest price increases, British printers were paying more for gas than domestic consumers or European competitors, and twice as much as American printers.

"The folly of imposing the penalty of a strong currency on manufacturing industry competing at home and overseas against foreign suppliers, while denying it the benefit of economic costs from a bounteous supply of energy is clear for all to see in the unemployment figures," said the letter.

Call for new limit on petrol stations

By Ray Dafter, Energy Editor

THE MOTOR Agents' Association has told the Office of Fair Trading that a limit must be put on the number of petrol filling stations owned by the oil companies. Otherwise, it warned, more and more independent traders would be driven out of business.

The association told the OFT that it was concerned that the oil companies would gain monopoly control of petrol pricing and that motorists would suffer.

A delegation led by Mr. Alan Dix, the association's director-general, said that 25 per cent of Britain's petrol was sold at prices fixed by the oil companies. Before *long the companies could* be setting the price of one in every two gallons of petrol sold in the UK.

The association said yesterday that it was convinced that major oil companies had increased their domination of petrol retailing since 1979, when the Monopolies Commission reported that 31 per cent of Britain's petrol was sold through company-owned stations.

It was claimed that retailers' margins were being increasingly squeezed by oil companies. Mr. Gordon Borrie, the OFT's director general, was told that unless limits were imposed on the oil companies' operations, even more independents could be squeezed out of business than last year. In 1979 1,349 of the 1,815 filling station closures involved indepeodent retailers.

In the past decade, it was claimed, the number of filling stations had dropped by over 8,000 to 26,480. Over 90 per cent of the closures were independent stations.

The association was particularly critical of Shell which, it claimed, was responsible for most of the "price-fixing." Shell's chief rival, Esso, was increasingly trying to do the same, it was claimed. Between them the two companies accounted for about 40 per cent of the petrol market. BP, the third largest in the retailers' league, had licence agreements but it did not fix the retail prices, the association added.

Shell said last night that economic pressures were responsible for the reduction of independent petrol stations. Since 1970, the number of independent and company owned stations had dropped from 37,000 to below 26,500. This reduction, which reflected market forces, included company owned sites, said Shell.

The company said that the Monopolies Commission report showed that in 1964 the five largest oil companies accounted for 90 per cent of total sales, whereas in 1977 the five largest accounted for less than 60 per cent.

Weather

UK TODAY

CLOUDY with thundery showers. Brighter later.

London, S.E., E., N.E., England, Orkney and Shetland
Cloudy with thunder in places. Max. 22C (72F).

REST OF UK
Sunny intervals. Scattered showers. Max. 23C (73F).

Outlook: Dry at first with cooler unsettled weather spreading to all areas.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	27	81	L. Plms.	C	25	77
Algiers	S	32	90	Lisbon	F	23	73
Amsdm.	S	24	75	Locarno	F	26	79
Athens	S	28	82	London	S	21	70
Bahrain	S	37	98	Luxmbg.	F	22	72
Barcina.	C	25	77	Luxor	S	40	104
Beirut	S	29	84	Madrid	S	25	77
Belfast	F	19	66	Majorca	F	28	82
Belgrd.	F	20	68	Malaga	S	30	86
Berlin	F	21	70	Malta	S	29	84
Biarritz.	C	20	68	M'chstr	C	18	64
Brmghm.	C	19	66	Melbne.	R	9	48
Blackpl.	C	17	63	Milan	S	27	81
Bordx.	F	22	72	Moscow	C	20	68
Boulgn.	C	17	63	Munich	S	24	75
Bristol	F	21	70	Nairobi	S	21	71
Brussels	C	23	73	Naples	S	28	82
Budpst.	F	24	75	Nwcstl.	R	16	61
B. Aires	C	21	70	Nice	F	26	79
Cairo	S	35	93	Nicosia	S	29	84
Cardiff	S	19	66	Oporto	C	16	64
Cas'b'ca	C	23	73	Oslo	F	24	75
Cape T.	S	16	60	Paris	F	24	75
Cologne	S	25	77	Perth	S	19	66
Cpnhgn.	C	19	66	Prague	S	24	75
Corfu	S	29	84	Reykjvk.	R	11	52
Dublin	C	19	66	Rhodes	S	28	82
Dbrvnk.	S	24	75	Rome	S	29	84
Edinbgh.	C	17	63	Salzbg.	S	24	75
Faro	S	26	79	Singapr.	C	28	82
Florence	S	31	88	Stckhm.	S	22	73
Frankft.	S	25	77	Strsbg.	C	25	77
Funchal	F	24	75	Sydney	S	13	55
Geneva	F	25	77	Tangier	S	24	75
Gibrltr.	S	27	81	Tel Aviv	S	29	84
Glasgow	F	18	64	Tenerife	F	21	70
G'rnsey	S	17	63	Tokyo	S	31	88
Helsinki	F	20	68	Tunis	S	35	95
H. Kong	S	33	90	Valencia	F	31	88
Innsbrk.	S	28	82	Venice	F	25	77
Invrnss.	F	17	63	Vienna	C	23	73
I.o.Man	C	15	59	Warsaw	F	24	75
Jersey	S	18	64	Zurich	S	24	75
Jo'burg	S	16	60				

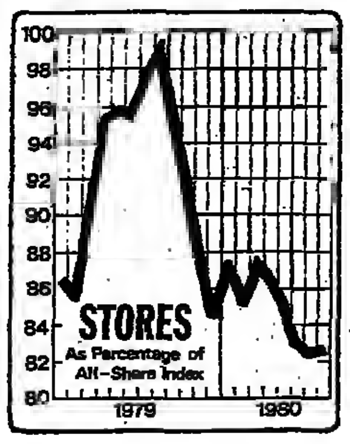
C—Cloudy. F—Fair. R—Rain. S—Sunny.

THE LEX COLUMN

Retailers after the squeeze

Index rose 6.5 to 483.8

RETAILERS are still out of favour in the stock market. Until last August the stores sector had been advancing against the market for nearly three years, and the FT-Actuaries Stores Index was standing close to the All-Share. As evidence of the consumer spending squeeze emerged, along with the implications of the VAT rise, it dropped back to 84 per cent of the All-Share by Christmas. In the last few weeks it has been edging ahead, and even the disastrous figures from Woolworth on Wednesday had only a temporary impact.



Although consumer durables and clothing have been worse hit over the last 12 months than other retail sectors, volume overall has held up well, albeit by fits and starts. While first-half sales volume looks terrible against the buoyant 1979 period, which included the pre-VAT rise boom, in fact there has been a slight gain on the average figure for the whole of last year. But volume has been bought in many cases through vigorous price competition, and margins have suffered as a consequence.

For once inflation has been an enemy to the sector, since costs like wages, rents, rates and oil have risen at 20 per cent or more a year, while selling prices have risen on average by little more than half as much once the VAT element is allowed for. Indeed in some cases, for instance among consumer durables, there have been falls in money terms. Retailers were forced into price cutting not only to attract buyers back into their shops after the VAT rise, but also by the need to cut back high levels of stocks rather than face financing charges reflecting the increase in MLR from 14 to 17 per cent. Woolworth, one of the few large retailers to have attempted to maintain gross margins, paid heavily in terms of volume, which fell 12 per cent in the first half of the year.

While the bulk of the destocking is now over, the pressure on selling prices, and therefore gross margins, is likely to take some time to work itself out. Price competition, once begun, cannot be turned off like a tap. However, the stores have reacted by shaking out labour, and analysts are not in general expecting a fall in consumer spending. The third quarter of 1980, measured against the knocked-out period last year, is already producing markedly more confident noises from some of the big groups.

The October round of interim results, covering the performance of the middle two quarters of the year, will probably show some fall in profitability overall. But Woolworth is likely to prove the exception rather than the rule, and there may even be gains from groups like BHS and Marks and Spencer. Furthermore, when the figures for the full year are released, any overall decline may well have been reversed. This kind of performance will allow dividends from the sector, whose profits are not badly hit by current cost accounting, to make a modest advance at a time when many manufacturers will be struggling to maintain payouts.

A market recovery, when it comes, is likely to be fully reflected in some of the newer stocks, like Comet, Dixons and MFI, which fell out of favour with the market as their vulnerability to the recession was demonstrated, and which are now standing on earnings multiples of 5 and below. By contrast, the more established stocks, like BHS and Marks and Spencer, are already standing on prospective multiples in the mid-teens.

But, while some investors may be tempted to anticipate a re-rating of the sector, most will probably prefer to wait until later in the year. Not only will the interim figures be available, but the market may have a clearer idea of Government policy. The authorities are still examining ways in which the benefit that stores derive from stock appreciation relief might be curbed. At the same time the Monopolies Commission re-manufacturers should be pub-port on discounts obtained from lished. Depending on the conclusions, the Government may take the opportunity of adjusting the balance of power in the manufacturers' favour.

Money markets

As well as acting to calm the money and gilt-edged markets since the disturbing July banking figures were published, the Bank of England has been actively asserting its authority in the City. Bidders from outside the discount market are now forbidden to swamp the Treasury bill tender, and banks have been requested not to use the help that the Bank of England has been giving them (by buying gilt-edged stock off them for a period) to play the gilt-edged market.

Yesterday the Bank introduced two further moves which both suggest a more flexible approach to the treatment of the bill tender. For a start, it is only going to tender £200m of bills next week, rather than the £300m that has become an almost invariable ration. And then the Bank has altered the pattern of dealing rates at which it stands ready to buy bills off the discount market, bringing them more closely akin to the shape of the money market yield curve. In the past, the Bank's rather rigid rate structure meant that discount houses were able ot sell it some bills at what was in effect too high a price—an anomaly which it must be sensible to correct.

Equally, there has been something absurd about selling Treasury bills to the discount houses (which tightens money) and then buying them back, day after day, to relieve the tightness. At present, of the £3.9bn of Treasury bills in gross issue nearly £2½bn may be held by the Bank. It is reasonable to argue that there might be no fewer bills in the market's hands if the gross issue were reduced to £2.6bn—£200m a week of 13-week bills.

But superficially, a reduction in the supply of bills looks to a suspicious market very like an attempt to tighten the reserve asset squeeze; as banks have to bid up for expensive reserve assets, it becomes more expensive for them to increase their lending. The end of the corset and the appearance of an extra £5bn of eligible liabilities on bank balance sheets in July left the banking system to find £1bn of new reserve assets in that month alone. If the Bank, despite cutting the supply of one important component of reserve assets, does not intend to apply a general squeeze, it will doubtless make soothing noises over the next few days.

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